

“ROLE OF INDIA TOURISM DEVELOPMENT CORPORATION (ITDC) IN THE PROMOTION OF TOURISM IN INDIA”

ABSTRACT

**THESIS SUBMITTED FOR THE AWARD OF
DOCTOR OF PHILOSOPHY
IN
COMMERCE**

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ABSTRACT

In the present study entitled "Role of India Tourism Development Corporation in the Promotion of Tourism in India", the author has examined the various phases of Indian tourism especially during British and Post - independence period. Indian civilization is largely a history of human values and the origin of tourist centres have been studied in four phases of historical development:

- (1) The Ancient period (from the advent of Aryans to A.D. 11th century),
- (2) The Medieval Period,
- (3) The British period, and
- (4) The Post-Independence period.

The 'Ancient period' was marked with religious and cultural renaissances, witnessing an unprecedented growth of religious centres, particularly Hindu, Buddhist and Jain : temples, monasteries and Buddhist - Sculptures dressed up Indian landscape. When the Aryans first came to India at 1500 B.C., they found a highly developed urban civilization in country which was much superior to their own. The cities were well-planned, with wide roads, sanitary drainage, baths

and granaries, while the houses were built of bricks. Out of the intermingling of the Aryan and the pre-Aryan cultures of India developed the great Hindu religion. On the material side, India had trade relations with far-off countries, such as Babylonia. Later on its market for raw materials and industrial products extended as far as Egypt and the Roman Empire in the west and China in the east. Its culture spread to many lands, such as, central Asia, Afghanistan, Persia, Ceylon, Indonesia, Burma, Thailand, Cambodia and China. The second phase of development mostly relates to Mughal kings when Islam came to India through Arab traders in the eighth century. The Muslim kings, in particular the Mughals, enriched India's cultural heritage due to their building activity in and around Agra - an archaeological museum of Mughal architecture. Of them, Akbar and Shahjahan were prolific builders; the former expressed himself in red stone (Agra Fort and Fatehpur Sikri Complex) and the latter sponsored an 'age of marble'. The Taj - a unique synthesis of Hindu Muslim art, is the great achievement of this period. While the Mughal expressed themselves in stone and marble, the Nawabs of Oudh could get a fair success in mortar : a few specimens of their architectural styles can be seen in religious and secular buildings of Lucknow. The third phase was enlightened by establishment of summer-resorts of the isolated Kumaon region, giving birth to pleasure - tourism. The fourth phase stamped secular tourism with

'Commercial hospitality' and promotion of tourism became State's responsibility, initiating action in various tourist services, viz., accommodation, transport and entertainment. Besides, new growth centres in the form of multi-purpose projects sprang up like (i) religious centres, (ii) Scenic centres, (iii) historical and archaeological centres, and (iv) Unbanised centres : University town and growth - resorts. These growth centres have developed "tourist image".

Seen in this perspective India, with its ancient rich cultural heritage and natural beauty spots is in a unique position to offer maximum fare to tourists from abroad. But the facts are otherwise. While world tourism has expended so fast in the past four decades, from a few lakhs only during the forties of the current century to as many as 350 million by the year 1985, India could graduated from 16.829 in 1951 to just over 8 lakh. The current statistics reveals that every major port of departure shows a steady and sometimes dramatic rise in outbound traffic. The total number of travellers from Bombay, Delhi, Madras and Calcutta were 8,64,059 in 1979 and this had risen to 12,98,626 by 1983, the latest year for which statistics are available. In addition, another 2,97,294 left from various other ports. All these 15,95,920 souls, according to the Reserve Bank of India which issued them foreign exchange permits. The total volume of business in tourism was US \$ 99 billion in 1983. We got \$ 5800 million, less than a glorious 1 %. This is so

because we have delayed encouraging tourism to a criminal degree.

To day, the rise in the standard of living of the people in several developed and developing countries along with fast technological revolution in transportation industry has brought overseas holiday within the reach of the middle and even working class. The civilisation of the more affluent countries today has rightly been described as "the leisure time civilization". In some developed countries working hours have been reduced to 40 a week and I foresee a distinct possibility to justify Jean Faurastic's optimistic view that by 1995, a 30 hours week may become a reality. This is both a challenge and opportunity for national tourist organisations, tour operators and international carriers to tap a market which has no limit.

India is far behind its fair share of world tourism. This is so because the Government has not accorded tourism the status of an export-oriental industry. Besides, visitors to India spend on an average 27 days in our country - an average which is the second highest in the world. The visitors spent about 250 million dollars in 1979, making tourism the sixth largest "export" of India. But almost 85 % of the world tourism receipts are taken away by European (60 %) and American countries (25 %) leaving only a small share (15 %) to be distributed among so many developing nations

of Asia and Africa, causing keen competition. I have, therefore, suggested point to point tourism, more resorts, an improvement in infrastructure among others. Accordingly ITDC has opened an office in Kuwait to cover Arab countries and soon another office is being added in Tehran to promote tourism to India from Iran. Similarly India Tourism Development Corporation is expanding its activities in Australasia and East Africa by adding small one - man offices in Osaka and Melbourne, in addition to our existing offices in Tokyo and Sydney. Similar office are being opened in Thailand and Malaysia from where India is getting increasing number of visitors. Hence urgent steps must be taken by the Government through its tourist offices while tidying up the internal infrastructure like adequate hotel accommodation, comfortable transport and well informed tourist guides to undertake package tourism within the country.

In view of the rapid expansion of Indian Tourism in the near future, the India Tourism Development Corporation has launched a region-wise campaign for the renovation and modernisation of the existing hotels, restaurants, motels and lodges as well as opening of new ones under the Annual Plans (1985-90). The author has made region-wise study of the hotel accommodation in Northern India, South India, Eastern India and Western India and has drawn suitable conclusions that tourist investment has been paying rich dividends. In some regions it has paved the way in enlarging

our national economy. One has reasons to believe that tourism is a highly developed economic activity, besides it being intensively employment oriented. Also it brings about distribution of wealth as there is movement of wealth from developed areas leading to balanced economy in the country. It is also a great nation builder. It brings the people of diverse background together and creates a feeling of oneness among its people. It provides jobs to the unemployed and restless youth of the country in the various segments of the industry, such as travel, hotel keeping, airlines, handicrafts and many other allied jobs which generate from this particular activity.

Presently, tourism has come to be recognised as one of the world's largest profit - oriented industry. It is a 37 billion dollar industry involving movement of over 220 million people a year world-wide and as such international tourism has emerged as the most outstanding phenomenon of the 20th century. Its potential of earning foreign exchange is so great the several big and small countries frame their annual budgets on the basis of revenues earned from foreign visitors. The small Himalayan kingdom of Nepal derives almost entire revenue from tourism and mountaineering expeditious while Thailand attract about 4 million tourists from abroad each year. In Alaska, a lonely bleak and barren rock jutting out towards the sea from a height of 100 metres, is visited by as many as 2.5 lakh tourists from Europe and

US annually. Tourism has a multiplier effect double that of other industries and does not deplete resources or pollute the environment. With less than 0.2 % of the Sixth Plan invested in it, tourism earned Rs.5000 crores or 10 % of the foreign exchange earnings for that period for India. Thus this modern industry, still to be recognised as such by the Central and State Governments, has proved the second largest foreign exchange earner for the country with Rs.1300 worth crore foreign exchange earned during 1985, next only to Engineering Goods industry earning Rs.1800 crore.

If handled properly, tourism has a great role to play in India's economic development as it generates more employment and also contributes to the Government revenue. Hence in the context of Indian economy it has been acknowledged that tourism as an industry assumes special importance in view of its potential of earning foreign exchange for the country. The target of 2.5 million tourist arrivals by the year 1990 as envisaged in the Seventh Five Year Plan, if achieved, would result in a foreign exchange earning worth at least Rs. 1500 crores. Similarly a working group set up in June, 1985 submitted a report and a target of 2.9 million tourists and earnings of Rs.15,000 crores in foreign exchange has been set up. How far short of this target we will fall remains to be seen. But if the above targets come true it would help in reducing the trade deficit by contributing

heavily to balance of payments, correcting regional imbalances dispersing the socio-economic benefits of tourism and creating employment avenues. In addition, the India Tourism Development Corporation should encourage the production of short film documentaries like "Festival of India" held in U.K., U.S.A. and France. These documentaries are to be shown in other countries having a tourist potential. This will also help in attracting tourists from abroad in large number than before. Needless to say that India with hundreds of attractions ranging from the snow-clad mountains of the north and north east to beautiful sea beaches on its west and south coast, richest ancient cultural heritage depicted in the temples of the South and the central parts of the country, palaces, forts and monuments spread in all states and Union territories, has much to offer a foreign visitor in his pursuit of knowledge.

Hence, in all stages of tourism development, the strong economic base is the backbone of tourist industry which needs strengthening of a country's economic infrastructure with due regard to accommodation, transport and communication, the supply of water, electric power, the provision of health, education and public services. To implement this gigantic task one should not hesitate in attracting Private Sector investment in building up tourist infrastructure. The possible benefits of collaboration between the group of the South Asian Countries should also be considered in the development of tourism.

While analysing the impact of tourist industry on national economy, the author observes that tourist investment has stabilised our financial position, removed backwardness and eradicated poverty to a very great extent from certain regions of the country. The questions posed below and their answers are very revealing. For instance (i) Does a unit of capital invested in tourism create more or less employment and income, and earn more or less revenue, than it would if it were invested elsewhere in the economy ? (ii) What is the foreign exchange cost of obtaining the export earnings, and how does it compare with the cost in other export industries ? Measuring the output resulting from tourism one finds that the smaller the important contents of tourist expenditure, the greater are not only the net receipts of foreign exchange but also the creation of income (gross domestic or national product at market prices) resulting directly from the tourist expenditure. Similarly it is also found that Government Revenue from international tourism has been gradually increasing. Where tourism bulks large in the formation of the domestic product it tends also to contribute high share of total tax revenue in which case the tourist sector is apt to be one of the principal source of development financing. Hence to ensure financial stability, the India Tourism Development Corporation took a number of measures like restructuring and strengthening of the divisions set up, aggressive marketing, product improvement and cost

control. It resulted in the steady increase in the turnover from Rs. 1312.02 lakh in 1974-75 to Rs. 5094.57 lakh in 1983-84. Similarly the estimated foreign exchange earnings had been showing a rising trend right from 1974-75 to 1983-84. It was Rs.660.00 and Rs.700.00 lakhs in 1974-75 and 1975-76, which rose to Rs.1700.00 and Rs.1800.00 lakh in 1982-83 and 1983-84 respectively.

Further, it has been observed that travel agencies are the main constituent and vital segments of tourism promotion. The objectives of the Travel Agents Association of India (TAAI) are to safeguard the travelling public from exploitation by unscrupulous and unreliable tour operators. The TAAI maintains close contact with world bodies and represents matters affecting the travel and tourism industry of the country at various international forums. It holds its annual conventions in the country and in the neighbouring countries where the representatives of all the segments of the travel and tourism industry gather and provide a forum to discuss problems of the industry and find out ways and means of developing the industry and increase the flow of domestic and international tourists, both inbound and outbound.

In its eventful 35 years, the association has rendered valuable service not only its members but also to the travel and tourism industry and the country. It promotes tourist traffic in the country to earn valuable foreign exchange

through the activities of its members. TAAI's representatives are often invited to join delegations to foreign countries, to explore market potentialities of different countries. The Annual Tourism Awards by the department of tourism to travel agents earning maximum foreign exchange at the time of TAAI conventions is a testimony to the fact that the government recognises the useful role played by travel agencies. Here the author invites the attention of the government that a new scheme called the Assistance for the Development of International Tourism be enforced under which financial support to recognised tour operators and travel agents be provided on specific items like publicity abroad, research and study of tourist markets and participation in exhibitions promoting international tourism.

Further the problems like issue of temporary visas, cutting the time of clearance at the airports, doing away with harsh luggage rules and checkings, provision of satisfactory taxi service at reasonable rates from airport to the hotel and also for local travel, shopping and sight seeing etc. and adequate hotel and accommodation must be provided in the country. It is, therefore, suggested to set up a Facilitation Committee to frame rules and regulations in order to do away with travel inconveniences. What is most needed is to accord warm welcome and to get warmth hospitality from our people wherever the tourists travel

in this vast sub-continent of India. Give to a visitor or a guest the same respect as you would give to your parents and teachers.

It is, however, very depressing to learn that in India market researches in tourism have not been taken up, It is suggested that every region of India must have a well equipped "Tourism Research Cell" which prepares inventory of Tourist attractions, makes exhaustive enquiries into the holiday habits, takes up surveys of market prospects and develops a tourist profile of the region. Today Hawaii and California tourism industries are thriving on their home market. Most of the industries have come up with a well-planned tourist education and tourism as a subject has been introduced on the Diploma and Degree courses of the Universities; post graduate and research facilities are also provided by a few countries. Tourism (Italy) has an 'International Centre for Advanced Tourist Researches' (CIEST). Tourist education is a state responsibility in Greece and the Government has established a tourist school (S.T.E.), whose operations are defined by law. Spanish Institute of Tourist Studies grants fellowship to deserving candidates. It is suggested that a tourist centre be housed in a good university where, besides the facilities of advanced research work, a Diploma course on tourism may be taken up initially.

To sum up, the share of developing countries in international tourism is very small. Hardly 7 % of the total

international traffic touches the countries of Africa, Asia and Australasia 93 % of international tourism of a total of 220 million visitors is confined to Europe and North America Two thirds of the total tourist traffic in the world is limited to Europe. The question before tourism experts from Asia and the Pacific is how to increase our share of the total market by offering reasonable and attractive holiday packages.

The second question is the need for a rational blend of the demand for tourist facilities of very high standard for visitors from affluent countries and the requirements of the domestic travellers or the visitors from not so affluent countries. The latter has unfortunately so far not received the attention it deserves. This is a problem which we are facing particularly in India today. While, on the one hand, we have built luxury hotels to fulfil the requirements of affluent tourists with the scarce resources provided by the Government, on the other hand, we have not been able to pay adequate attention to the needs of the domestic tourist and the tourist from countries which are not affluent. Do we create two separate sets of facilities or do we bring about a synthesis of two demands for our tourist product ? An answer to this question should be of relevance not only to India but also to several of the countries which are members of the two Commissions of WTO. I would like to add that tourism has to compete for resources with other pressing requirements of

any developing nation i.e. food, clothing, shelter, fertilisers, industry etc.

Thirdly, tourism, to our way of thinking, is not only an economic activity of importance to national development but also an important medium of cultural exchange among nations of the world. A lot of emphasis has been laid - in fact, if I may say so over emphasis on the economic role of tourism, its contribution to the foreign exchange earnings of the nation and its potential for greater employment. It is high time for us to understand the important role of tourism as a means of social education and social mobilization in the country itself, as a cementing force for fostering better understanding among nations of the world for developing closer cultural and business relations and as a significant factor in world peace.

Finally, in order to have a new look at our tourism policy, especially in the context of the requirements of the less affluent sections of our society, a Committee of Experts is proposed to be set up by the Government of India in the near future. The Committee should be able to advise the Government regarding the directions in which our tourism should progress - both international and domestic, the latter especially to meet the needs of the common man. Further the Committee should also keep in mind that a highly developed infrastructure is a sine-qua-non for the promotion of tourist industry. Hence the country's overall tourism policy should

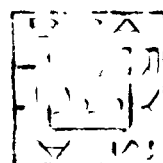
be based on selected targets which are realistically attainable and may produce maximum cultural, social and economic benefits for all time to come.

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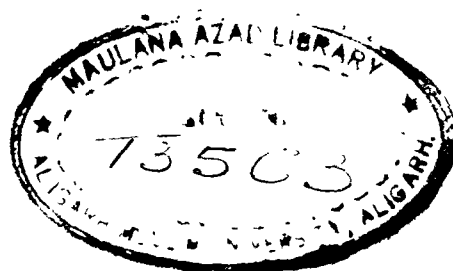
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INTRODUCTION

SETTING THE PROBLEM:

Travel from the earliest times has held a fascination for mankind. The urge to explore new places and seek a change of environment and experiences is not new. The first conscious effort to promote tourism in India was made in 1945, when a committee was set up by the British government under the Chairmanship of Sir John Sargent, the then educational adviser to the Government of India. The Sargent Committee which submitted its interim report in October, 1946, were unanimously of the opinion that there was enormous potentialities of developing tourism in the country and it would be in the interest of India to encourage and develop tourism both internally and externally. The development of tourist traffic was a matter of great national importance and, therefore, it deserved the whole time attention of a separate organisation. Hence an adhoc traffic committee was appointed in 1948 and on its recommendations, a tourist branch was set up in 1949, with two regional offices opened in Calcutta and Madras.

In 1956, the following three corporations were set up on the recommendation by the Committee:

1. Hotel Corporation of India Ltd.,
2. India Tourism Corporation Ltd.,
3. India Tourism Transport Undertaking Ltd.,

Later on, the Government of India decided to merge these corporations in view of the heavy losses incurred by them. To avoid these losses and future risk these three corporations were dissolved and merged into one in 1966. Thus the Government set up in October 1966, a public sector undertaking namely the "India Tourism Development Corporation ^{Ltd} (ITDC) in Delhi, with an authorised capital of Rs.5 crore. It was depressing to learn that four decades back, tourism was a luxury product available to those who had time and money to spare. Since then tourism development in India has passed through many stages. At government level, the development of tourist facilities was taken in a planned way from 1956 coinciding with Second Five Year Plan. The endeavour has been to convert this vast potential into reality through well planned, well-defined and fully integrated national programmes of tourism development. Needless to mention that tourism is a very young industry a product of World War II, that provided the greatest impetus for modern tourism.

Tourism has come to be recognised as one of the World's largest modern and profit oriented industry. Its potential of earning foreign exchange is so great that several big and small countries, frame their annual budgets on the basis of revenues earned from foreign visitors. The small Himalayan kingdom of Nepal derives almost entire revenues from tourism. This modern industry, still to be recognised as such by the Central and State Governments, has proved the second largest

foreign exchange earner for the country with Rs.1.300 worth crore foreign exchange earned during 1985, next only to engineering goods industry earning Rs. 1,800 crores. The well regulated and well planned tourism is a remedy to many problems i.e. unbalanced social change, un-wieldy economic infrastructure, social tensions, environmental pollution, distortion of life styles and cultural decay. Tourism brings about distribution of wealth as there is movement of wealth from developed areas leading to balanced economy in the country. It is also a great nation builder as it brings the people of diverse background together and creates a feeling of national oneness among its people.

In the present study, an attempt has been made to examine the need for economic planning, organising and providing the best infrastructural facilities for systematic growth and development of tourism in India. It is in this context that the author has discussed at length, in his thesis, the various aspects of tourism viz., management growth, development, structure, economics, finance planning and facilitation.

SCOPE OF THE WORK:

International tourism has emerged as the most outstanding phenomenon of the 20th century. Presently, this is 37 billion dollar industry involving movement of over 220 million people a year world - wide. Till 1982, it was the world's

largest industry providing employment to the largest number of people. Keeping in view the size, volume and the importance of this industry, it is natural that we take a close look at various aspects of its composition and organisation, nature of tourism product, its packaging, its relationship with cultural environment of the host destination, availability of resources and their relationship to the supply of the product, its marketing and above all, the readiness of the host country to welcome foreign tourists.

While going into various aspects of tourism product and its promotional and marketing techniques, I have suggested a few fundamental issues to be considered seriously. The first thing is that the share of developing countries in international tourism is very small. Only 7 % of the total international traffic touches the countries of Africa, Asia and Australia. 93 % of international tourism of a total of 220 million visitors is confined to Europe and North America. Two-thirds of the total tourist traffic in the world is limited to Europe. India has to increase its share by offering attractive holiday packages. The second question is the need of a rational blend of the demand for tourist facilities of very high standard. Thirdly, tourism, to our way of thinking, is not only an economic activity of importance to national development but also an important medium of cultural exchange among nations of the world. It

is time for us to understand the important role of tourism as a means of social education and social mobilization in the country itself, as a cementing force for fostering better understanding among nations of the world for developing closer cultural and business relations and as a significant in world peace.

ROLE OF INDIA TOURISM DEVELOPMENT CORPORATION IN
THE PROMOTION OF TOURISM IN INDIA:

In the context of the above analysis need for analysing the role of India Tourism Development Corporation in the promotion of tourism in India is imperative. Basically this organisation is meant for providing various types of services like hotels, catering, transport services etc. Wherever tourism industry want to open a new circuit for tourists point of view, it is India Tourism Development Corporation which fulfills all the required facilities from tourism point of view. It is in this context that the subject matter of this thesis has been discussed in the following chapters.

In the first chapter, it is observed that Government has not accorded tourism the status of an industry. Tracing the past history the author feels that India with hundreds of attractions ranging from the snow - clad mountains of the north and north east to beautiful sea beaches on its west and south coast, richest ancient cultural heritages

depicted in the temples of the South and the Central parts of the country, palaces, forts and monuments spread in all states and Union territories, has much to offer a foreign visitor in his pursuit of knowledge.

The second Chapter, is devoted to examine the Economic Aspect of Tourist Infrastructure. The country needs a well - developed tourism infrastructure to take care of the growing urge on the part of its people to travel from their environment to the other parts of the country. The author disclosed that to attain target of 2.5 million tourists from abroad by the year 1990, an adequate infrastructure must be created in the country. Hence the strengthening of a country's economic infrastructure with due regard to accommodation, transport and communication, the supply of water, electric power, the provision of health, education and public services, is frequently a priority task in development planning.

One should not hesitate in attracting Private Sector investment in building up tourist infrastructure. Private sector must come forward and make its due contribution in the promotion of tourism by joining hands with the Public sector in providing a stable infrastructure for this highly employment-oriented and foreign exchange earning industry. It is presumed that by 2000 A.D. the India Tourism Development Corporation expects 50 lakh tourist and the earning of foreign exchange is being estimated to the tune of Rs.10,000 crore . The study reveals that tourism has reduced the trade

deficit by contributing heavily to the balance of payments, correcting regional imbalances, dispersing the socio-economic benefits of tourism.

In the light of the above findings the Thrid Chapter examines the Impact of Tourist Industry on National Economy. The study reveals that this modern industry, still to be recognised as such by the Central and State Governments, has proved the second largest foreign exchange earner for the country with Rs.1300 worth crore foreign exchange earned during 1985, next only to Engineering Goods Industry earnings Rs. 1800 crore. Hence the questions posed below with their answers disclose the fact that tourist investment has raised Indian economy to a large extent. For instance (i) Does a unit of capital invested in tourism create more or less employment and income, and earn more or less revenue, than it would if it were invested elsewhere in the economy ? (ii) what is the foreign exchange cost of obtaining the export earnings, and how does it compare with the cost in other export industries ?

Measuring the output resulting from tourism it is concluded that the smaller the import contents of tourists expenditure, the greater are not only the net receipts of foreign exchange but also the creation of income (gross domestic or national product at market prices) resulting directly from the tourist expenditure. Similarly it has been examined that Government Revenue from international

Tourist has been gradually increasing. Where tourism bulks large in the formation of the domestic product it tends also to contribute a high share of total tax revenue in which case the tourist sector is apt to be one of the principal source of development financing. Finally tourist industry has been yielding good dividends and growing well. The study reveals whether our national economy is moveing upward and if so to what extent.

The Fourth Chapter critically analyses the Contribution of India Tourism Development Corporation in the Growth of tourism in India. After independence the restructuring of India Tourism Development Corporation was done to give it more vigour, power and stability so that it may take up independent planning for its all round growth of tourism in India. Initially the authorised Capital of India Tourism Development Corporation was only Rs. 5 crores but after 18 years of its devoted service it has been increased to 60 crores which shows a rise of 12 times in the authorised capital. To ensure financial stability of the corporation, it took a number of measures like restructuring and strengthening of the divisions set up, aggressive marketing, product improvement and cost control.

In the Fifth chapter, the author has discussed Travel Agencies as an Aid to Tourism Promotion. The objectives of the Travel Agents Association of India is to provide assistance to its members in professionalism of the tourism and

safeguard the travelling public from exploitation by unscrupulous and unreliable operators. Travel agencies are the main constituent and vital segments of tourism promotion. Travel Agents has to promote tourist traffic in the country to earn much needed foreign exchange.

Finally, in the Sixth Chapter, entitled Tourist Facilitation and Travel Barrier, some specific travel barriers faced by domestic and foreign tourists have been examined. In the light of the findings, some suggestions have been made to overcome these barriers. Tourists are unnecessarily harrassed inspite of proper documentation which they possess i.e. Passport, Visa, Emigration clearance and other related documents. Due to such harassments the tourists are victim to mental and physical torture. As a result of this they somehow or the other wind up their tour and go back to their home land with a heavy heart. For this reason the author suggests that the development of facilities in tourism is the vital need. Problems like issue of temporary visas, cutting the time of Clearance at the airport, doing away with harsh luggage rules and checking, provision of satisfactory taxi service at reasonable rates from airport to the hotel and also for local travel, shopping and sight - seeing etc., and adequate hotel and accommodation to meet such large numbers must be provided in the country.



Chapter - I

"GROWTH OF TOURISM IN INDIA"

India, because of its rich cultural traditions, historical background and variegated geographical condition, is one of the major tourist attractions in this part of the world. History of tourism, its origin, growth and development in India, is closely associated with our ancient civilization. "Fortunately, India has been the nerve centre of world's civilization".¹ India not only became the heart land of 'ARYAVARTA' and repository of Asian thought but the seat of mighty powers like Delhi, Agra and Jaipur. Some of these ancient cities had land route connecting with West and East Asia. From the mighty Mauryas to the Great Mughals, kingdom and empires usually grew up in the rich and populous 'Middle India' (Madhyadesha) with Ganga and Yamuna as the corridor and the Plateau of Malwa as bastions of resistance against the invaders. This civilization has given birth to some of the World's most beautiful creations of mankind in the form of religious edifices,

1. Mukherjee R.K. "A History of Ancient civilization", Hind Kitab Limited., Bombay, 1958, page No. 13.

temples, monuments and architecture. "Art and architecture is, indeed, the matrix of civilization".² It is the only visible material record of man's intellectual evolution through the ages which can help the tourist to have a look at the country's cultural heritages. Besides, this has enriched our culture to the extent of giving it a unique traditions of customs, rituals, fairs and festivals that constitute our major tourism resources. Infact, cultural tourism in India began long before commercial tourism had its birth in European countries.

In fact, tourism is growing rapidly through out the world. It has become India's largest foreign exchange earning industry. With the progress of Science and technology, the likes and dislikes of the potential tourists have also undergone great change. By 2000 A.D. we expect 50 lakhs tourists and the earning of foreign exchange is being estimated to the tune of Rs. 10,000 crores.

Tourism is highly diverse phenomenon. Starting from transport, or movement of Man over land and ocean, it has become a gainful economic activity, as tourism brings the much needed foreign exchange. It has become an export oriented industry for travel agents and transporters, who take tourists from one country to another or conduct pre-Planned tours. So also for hotels and tourist lodges who provide

2. Lethley : Architecture, cited in Brown P. "Indian Architecture" published by D.B. Taraporevala Sons & Co., Ltd., Bombay, Page No. 1 (1942).

accommodation and comforts to the tourists natural host countries, for retail dealers who sell curious and other items, and a host of many other persons connected with tourism.

HISTORICAL PERSPECTIVE OF TOURISM:

Thus Indian tourism may be reckoned over 2000 years old, though as an industry in the modern sense, it could be organised only some sixteen years ago (1956)³. This explains for tourism old and new, the former takes its character from the religion whereas the latter is an economic or socio-economic activity, born out of leisure civilisation and a "by-product of interaction of forces technological and sociological".⁴

Though the India's overall backwardness, particularly in the secondary and territory sectors, has been a great deterrent to the promotion of tourism, yet her antiquity, historicity, rich heritage of culture and religion, provide a sound base for the growth of tourism. These historic trends can briefly be studied in four phases of tourism^{development} in this country.

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3. Singh, Tejvir, "U.P. Tourism Breaks New Grounds", Transport and Tourism journal (Vol. 6, No.3) Delhi, December, 1973, p. 23.
 4. Singh, K., (Minister for Tourism, India), "The illustrated Weekly of India", Tourism issue, July, 1967, Vol. LXXXVIII 24, Bombay, p.No. 8.

- i) Development of Tourism in Ancient Period
- ii) Development of Tourism during Medieval Period
- iii) Development of Tourism during British Rule
- iv) Development in the Post Independence Era.

ANCIENT PERIOD:

Beginning from the advent of the Aryan (and even before that) to the coming of early, Muslim: in India in the 11th century, this long period of ancient time, full of religious and cultural renaissances, witnessed an unprecedented growth of religious tourism, particularly Hindu, Buddhist and Jain.

The early period marked the emergence of Brahmanical society, responsible for the institution of pilgrimage rituals and Hindu way of life. It was in this period that India has become the main destination for pilgrims and devotees from all over Asia.

The second phase (6th century to 3rd century B.C.) marked the revolt against the rigid Brahmanical society. This intellectual and religious renaissance, however, synchronised with the great spiritual ferment in the world and culminated in the rise of Krishnavasudeva cult and Jainism and Buddhism in India, besides the spread of universal India faith in Gandhara, Chinese Turkistan under Asoka, Moryayam renaissance of Buddhism which gave Indian cultural hegemony over the rest of Asia, Pilgrims, scholars

and works poured into India-the home of Buddhism. Ashoka, the indefatigable builder of cities, monolithic pillars, monasteries and stupas (Tumuli), did every thing to accomplish the growth of tourism during this long uninterrupted reign of about thirty five years.

Thus, 'the phenomenon of Buddha is the starting point of Indian religious tradition⁵ responsible for a dynamic change both in religious system and in the real in arts'. Buddhism (being) essentially a graphic creed, art, became its handmaid, so that wherever it penetrated it was accomplished by forms and symbols, expressive of its teaching⁶. It gave birth to Ashokan School of art, which for the first time, found expression in dressed stone a more lasting material than wood.⁷ Of the several remarkable achievements of this school, mention must be made of Ashokan pillars which hold a high place in the works of art. Boldly designed, finely proportioned and well-balanced conceptions, they admirably fulfilled the purpose for which they were intended (monumental) 'Shining bright as glass'⁸ they dressed up the pilgrims way to holy places.

5. Younger, P., The Indian Religious Tradition, B.V. Prakashan, Varanasi, 1970, p; 35.

6. Brown, P., Indian Architecture (Buddhist and Hindu periods), D.B. Taraporvala Sons & Co. Ltd., Bombay, 1942, page No. 9.

7. Bejore Ashokan School, wood was the medium of artists expression.

8. Fa-Hien, cited in Brown, P. , "Indian Architecture", op. cit., page No. 53.

In the early centuries of the Christian era, urbanisation, trade and Commerce, and the rise of merchants and racial admixture began under Indo-Bactriaws and Kushans. During this period plastic creations of anthropomorphic character were introduced. Infact Gandhara style had its definite stamp on the architecture of the time, though later on it was regarded 'indefensible hyterid', Mahayam system of Buddhism was carried further into the Ganga plain where it flowered in the famous monasteries, universities and sanctvories of 'the Buddhist Holy land', now in ruins. These historical place avoke curiosity among the tourists to visit such places.

MEDIEVAL PERIOD:

The early Muslims period proved an era of set-back to tourism growth in Northern India, but it was however, substantially made up by the later Muslims, chiefly the Mughals, 'when Jaunpur became the Shiraz of India' and Agra, the metropolis of the great Mughals. Mughals indeed, brought with them an aesthetic sensitivity of a remarkable order. They were responsible for renaissance in literature, painting, architecture and handicrafts. Even Babar in his short reign constructed "Ornamental gardens, pleasances, mosque and well".⁹

9. Hussain, A.M., Indo-Islamic Architecture. In Archaeology in India, Govt., of India, Press, Calcutta, 1950, p. 124.

The religious movement of Medieval India could be seen at its best in Delhi and Agra. Where Hindu mind responded vigorously to the impact of Islamic thought. The Taj of Agra is the masterpiece of Indo-Islamic architecture and it, indeed, formed the veritable culmination of artistic synthesis.

Mughals (Specially Akbar and Shahjahan) were prolific builders. They planned splendid edifices and dressed the work of their mind and heart in the farment of stone and marble". "History has really recorded such as succession of sovereigns, representing some fine generations in all, each member of which had a keen desire to find expression in one or more visual arts".¹⁰ Agra in the high water mark of the Mughals self expression which today forms India's major tourist destination.

Later, after decline of Mughal the Nawabs of Oudh, maintained the cultural harmony of India. While Mughals found expression in redstone and Marble, the Nawabs excelled in ordinary mortar. These specimens architecture (Imambaras of Lucknow), however, exeibitquasy-European style of 19th century. Infact, this was a period of great dimensions for the development and growth of tourism in the country: Centres of monuments and historical importance

10. Brown.P. "Indian Architecture", (Islamic period)
D.B. Taraporawala Sons & Co. Ltd., Bombay, 1942, p.95.

grew up and many other tourist convenience such as a sarai (inns)¹¹ Khankas, wells, pleasure gardens and road transport flourished. Sher Shah's construction of grand trunk high-way was a great land work in road-transport. This period also witnessed brisk business and trade relations with neighbouring countries of Asia and Europe which encouraged mobility of the people, especially tourist traffic.

TOURISM DURING BRITISH PERIOD:

This was also a period of industrial urbanization which was speeded up by the introduction and expansion of rail network. Establishment of cantonments and military bases stimulated urban growth, particularly at Delhi, Agra, Calcutta, Madras and Bombay. The period certainly revolutionised the pre-existing non-industrial cities in their land use patterns, much to the advantage of tourism or promotion. At this time all types of journal and guides were available for the help of tourist. Most of the hill stations and sea resorts were modified for the entertainment of tourist. International tourism to India during British days was essentially confined to visitors from the united kingdom and few from European countries.¹²

11. Carvon-Sarai (Traveller's inn.) were maintained and Travellers were accommodated and entertained at state's expense, (Latif, M. Agra, Central Press Ltd., Calcutta, 1896, p. 106).

12. Sharma, Inder, "A view form the top", Indian Hotelier and caterer, New Delhi, vol. XVI, No.9, Sept. 1972, p.121.

The British people did not encourage the inflow of tourists from AFRO-Asian countries. The tourism was completely neglected from the Gulf countries during British regime. It was in the beginning of the nineteenth century that tourist industry received considerable encouragement in this direction. But in the meantime both world war I and II gave a great set-back in the movement of people, specially, from one country to another regarding tourism and holiday making. In this period first step was taken in 1945, when the government of India set up a Committee under the Chairmanship of Sir John Sargent, the then advisor to the Government. The Committee submitted its report in 1946 and suggested different guidelines for developing tourist traffic. However, after independence Indian Government formulated guidelines for the establishment of tourist organisation in the country.

TOURISM DURING POST INDEPENDENCE ERA:

After independence, India had fairly large infrastructure available for tourism. There was network of all types of hotels, catering to the need of foreigners as well as Indians. There was adequate transport and communication system operating in the country, almost all the tourist spots were easily accessible by rail, and road, some even by air. The country's main airports were in a position to receive international carriers.

As the secular tourism was stamped with commercial hospitality, India assumed the responsibility of tourist promotions. This new tourist movement was part of the world tourism which India recognised as late as 1949 with a view to earning foreign exchange. The period after the late fifties of the present century, brought tourist development in the country.

Modern tourism was given a big boost when in 1965 India Tourism Development Corporation Ltd., was formed with an authorised capital of Rs. 50 million which initiated action in the field of accommodation, transport, entertainment, publicity, and other ramification of the industry which have now fairly advanced both horizontally and vertically. Today it has acquired the status of a leading export industry of the country. In view of its growing importance as a potential foreign exchange earning industry, a separate Ministry of Tourism was formed in 1958. In this period development and promotion of Tourism considered as an integral part of country's regional planning, which was neglected during British period.

In this period two major steps were taken to develop the tourist traffic in India. These were:

- i) Distribution of Country into four Macro Tourism Regions.
- ii) Opening of Regional Tourist Office in India & abroad.

The Indian Government had taken these steps quite late as compared to other foreign countries. The beginning was quite impressive when the 2500th anniversary of Buddha was celebrated in a big way in 1956.

REGION-WISE DISTRIBUTION OF TOURISM IN INDIA

After all considerations, the Government of India adopted the different strategies, and considered, over all recreational potential and offering of different regions in regard to touristic endowment. The whole country was divided into four regions namely 1) Northern India, 2) Southern India, 3) Eastern India, and 4) Western India for the purpose of tourism development. These divisions were made for building the country's tourist image in the outside world and to represent India in a most attractive manner. Each region was proposed to be made a focal point for complete recreation of a tourist. Efforts were being made, as the following would reveal, to bring on earth the hidden treasures during Ashoka and Moghal periods.

NORTHERN INDIA

<u>States</u>	<u>Places</u>
Jammu & Kashmir	- Srinagar
Delhi	- New Delhi
Uttar Pradesh	- Agra-Varanasi
Rajasthan	- Jaipur, Udaypur

The North has its own special appeal because it retains the varying cultural influence of the Aryan, Persian, Turk and British invasions. Delhi is well equipped to host a large international congress at the Vighyan Bhawan, or the Ashoka Hotel with facilities, to host up to 2,500 guests. There are today two Delhies the old city of Mughals built by Shahjahan, the man who built Taj Mahal, Red Fort and the New City was built by British in 1931. Red Fort and its inner chambers: the Diwan-i-Am, Diwan-i-Khas, Rang Mahal, Moti Masjid, Sheesh Mahal, Jama Masjid are worth seen. Delhi is well connected by air, rail and road.

In Srinagar, Gulmarg or Jammu, enjoy trakking and winter sports in the top of Himalayas, Lucknow, Jaipur and Udaipur are cities steeped in historic and culture, offering opulent palaces converted to Madura Hotels. Amritsar is the city of Golden Temple, and Simla is a hill resort in Himachal Pradesh where you can skate or go for fishing. See the world famous Taj Mahal at Agra and visit Varanasi, the holy city of Hindu's. The North has a lot to offer by way of handicrafts, traditional dance and delectable cuisine.

HANDICRAFTS:

Come in a range as breath taking as the Himalayas. as exclusive and exquisite. Pick up shimmering silks, gay, cool cottons, or gold and silver brocades from Varanasi.

Carved wood-work, screens and tables, brass and copperware, embroidered shawls and slippers in Kashmir or ivory carvings and enamelled jewellery encrusted with enamel and rubies! You can buy fabulous-treasures at low prices.

DANCES:

Kathak, the classical dance of the North was originally a temple dance relating to stories of Krishna and Radha. Later, under the royal patronage of the Mughals and Nawabs, it evolved a court dance. It was in Lucknow and Jaipur that it developed and flourished as a classical dance.

FOOD:

'Mughali' cuisine, the contribution of the Mughals, has the most succulent variety of Kormas (meat curries) and 'Kababs' Tandoori' cooking of the rugged Punjab is a meaty delight you will relish. Vegetable dishes are equally delicious.

SOUTHERN INDIA

<u>States</u>	<u>Places</u>
Andhra Pradesh	- Hyderabad, Secunderabad
Karnataka	+ Bangalore, Mysore
Tamil Nadu	- Madras.

The South has a lot to offer. Ancient Hindu culture survives here in its purest form, but Christianity is also taking roots. Cathedral of San Thome, the Church of St. Mary, the oldest Anglican Church in India, the Fort Museum are worth visiting. A 15 kilometers drive from Mysore takes you to Srirangapatnam the island city which was the capital of the powerful Muslim ruler, the Tippu Sultan in the 18th century. Its ruined forts, tombs and palaces bring back memories of a great era of Muslim rule in India combine work with temple touring and boating in Madurai and Ooty. Choose Trivandrum or Cochin with exciting leisure activities, watch wildlife one day at Periyar or a 'tame' dance recital the next. There is also Hyderabad, and Bangalore. Char Minar is a 16th century architectural Jewel, Mecca Masjid, the Salar Jung Museum of antiques, Golconda Fort reminds one lost pomp and glory.

South India is unique in its motifs and designs of handicrafts, in its dance forms and especially in its cuisine.

HANDICRAFTS:

Such as ivory articles, teak and sandelwood, Kanchipuram and Chamundi silks and Chiffons are becoming increasingly popular.

DANCE:

Bharat Natyam is the traditional classical dance of the South India which was originally a temple dance of the 'devdasis' - handmaidens of the Gods. Since it was performed in temple corridors and courtyards, the movements are noticeably linear. Kathakali is the dance - drama of Kerala also known as 'Story Play' traditionally performed at festival time, relating episodes from the epics of Mahabharata and Ramayana of the triumph of good over evil.

SOUTH INDIAN FOOD:

It is mostly vegetarian. South Indian produce an amazing variety of crisp, tasty rice - flour preparations like Dosas, Idlies and Uttapams. Kerala has wonderful fish curries in creamy coconut milk.

Cochin, Queen of the Arabian Sea, is a mosaic of Hindu, Jewish, Portuguese, Dutch, Chinese and Islamic culture. While in Andhra Pradesh Vishakapatnam is an industrial city with its gigantic ship building yard. A symbol of modern industrial India.

The States of Tamil-Nadu and Mysore merge in a lovely cluster of hills, the Nilgiris or Blue Mountains. Crowning the Nilgiris is the delightful hillstation of Ootacamund with a wealth of eucalyptus trees that give the year a distinct freshness.

EASTERN INDIA

<u>States</u>	<u>Places</u>
Bengal	- Calcutta
Orissa	- Bhubaneswar, Konarak
Bihar	- Patna, Bodhgaya
Assam	- Gauhati

The states of Bengal, Orissa and Assam, are the start mix of different races, scenic beauty and climate. One can hold a meeting at the highest level in Darjeeling with the magnificent Himalayas as company, or in Orissa of the golden beaches and sun temples. Calcutta is known as the pulse of Eastern Bharat or the first capital of the British is now the capital of West Bengal. It is India's largest industrial city, overcrowded and the ideal base to hold a conference and explore the East. It has some grand colonial style, spacious hotels, plus new modern hotels and auditoria. A large number of International Airlines pass through Calcutta. Hoogly river, Howrah Bridge, Footbal and Race course Maidans, Museums, Zoo, Botanical gardens, Victoria Memorial palaces, Hotel Oberoi Grand, and New Market. Calcutta is also a city of Nobel Laureate Rabindranath Tagore. St. Pouls Cathedral, temple of Kali and Durga Puja Festival are worth visiting.

HANDICRAFTS:

Enjoy buying curious and decorative pieces of Buffalow Horn, Terracotta Clay Toys, ivory bracelets and necklaces, intricate filigree silver-ware or attractive articles of bamboo and cane. One is tempted to buy leather goods-snake-skin belt, Kid gloves, sambar bags, soft shoe, skirts and trousers. Konark is 65 K.M. from Bhubaneswar and rank with the greatest in India's artistic wonders. Bhubanaswar, the capital, is a magnificent town of 1000 temples and famous for ivory earnings. Patola sarees and statues. Puri, a beautiful beach resort, is one of the four great pilgrim centres of India. Puri Sculpture are fairly expensive and attractive.

Patna, the capital of Bihar, traces its ancestry to pataliputra, the seat of the Magadha empire in the 2nd century B.C. It was built by the great Pathan ruler, Sher Shah. Bodhgaya, the place where Buddha attained enlightenment, is the Budhism's most sacred shrine. Buddhist University of Nalanda is still an international centre for Buddhist Studies.

Assam is well known for its lofty mountains, rich valleys with tea gardens, its lush forests, teeming with wildlife, dance and festivity. Gauhati, Assam's major airport, is a lovely town on the banks of Brahmaputra river. Foreign visitors to Assam and Dargeeling need an Entry Permit for travel to this region. Tripura, Manipur and

Meghalaya are the adjoining states of Assam. Besides Arunachal, Nagaland and Mizoram are the frontier places which preserve cultures and scenic wonders.

WESTERN INDIA

<u>States</u>	<u>Places</u>
Maharashtra	- Bombay
Goa	- Panaji
Gujarat/Madhya-Pardesh	- Ahmedabad.

The Western States lie along the rugged coastline of India, along the mountains of the Western Ghats

BOMBAY:

Bombay is the Capital of Maharashtra. It is the principal city, cosmopolitan, alive and peppy. Bombay, vibrant, vital commercial centre, is Asia's largest seaport. To think it was once sold for £ 10 to the British East India Company as the tiny fishing village of Mumbai.

A miniature India, Bombay is a place where one can meet people from all over India. Bombay provides ample scope for leisure activities after a day's conference. Sophisticated hotels, excursions to nearby hill stations. It is truly the gateway to explore Western India.

PLACES OF INTEREST:

Gateway of India, a Gothic monument built to commemorate the visit of King George VI. Juhu-Beach is a mini Miami beach with elegant hotels and food stalls. The Indian difference is the camel rides and coconut drinks. Elephants Caves is another interesting place. Mute testimony of the golden age of the Guptas, built to honour shiva, these caves are a short launch trip away. Marine Drive, the necklace of Queen - Hanging Garden and Taj Inter - continental Hotel are the places of resort.

A few kilometres from Bombay one can see India's most remarkable Cave Paintings - wonders of an ancient art - in the 29 temples at Ajanta. Also visit the Ellora Caves, Splendid rockcut cave temples over 2,000 years old. West from Bombay, is the Gir Forest, last stronghold of Asia's lions and the Jain Temples of Palitana.

GOA:

A former Portuguese Colony it retains a Latin atmosphere heightened by the white washed churches, taverns and pubs. Visit Old Goa, Capital of the Portuguese, 9 kilometres east of the new capital, Panaji, to see imposing and richly-adorned cathedrals - the most important being the Basilica of Bom Jesus where lies the body of St. Francis Xavier,

preserved in silver casket. What is irresistible are the miles of unspoilt, virgin beaches, Gasper Dias, Calangute, Colva and Dona Paula, bask in the sun and return to the comfort of luxurious hotels and you might never want to leave.

FOOD:

A pork dish one would love to hog. Pungent and slightly sour diced port in gravy. Shakootie - Roasted Spices and coconut give a new tang to chicken, Mutton or beef. Sannas - Rice - Flour bread, specially eaten with Curries, 'Prawn' curry - Prawns swimming in coconut curry. PENI - A potent local drink of cashew-Coconuts, Cashewnuts - one of the cashew - growing areas of India, you can buy packets of crunchy, salted cashewnuts.

DANCE & FESTIVALS:

MANDO is the lovely dance of the Goan Folk. Goa carnival known as Music, dance and 'Feni' typify the Goan's love for life. It is expressed so vividly during the 3 - day carnival in March every year.

Ahmedabad, the Capital of Gujarat, is a blend of the medieval and the modern. Mughal Emperor, Shahjahan, spent the first year of his marriage with Mumtaz Mahal, for whom he later built the Taj Mahal. Mahatma Gandhi also founded

Sabarmati Ashram here. Other wonders are the Sidi Saiyed Mosque, the White Marble Hatheesing Temple, the 'Shaking Minarets' which can be set Vibrating by shaking a single minaret. Further south on the coast is the fabled temple of Somnath, which was raided by Mahmud Ghazni in the 11th century. On the Western tip is Dwarka, the door to Gujarat; the Birth place of Lord Krishna.

MANAGEMENT OF TOURISM IN INDIA

The Management of the Ministry of Tourism and Civil Aviation consist of a secretariat, two attached offices and two sub-ordinate offices. Besides, there are five public under takings under its administrative control. The Ministry is in the charge of a Cabinet Minister. He is assisted by a Deputy Minister. The following offices manage and control the Organisation at the secretariat:¹³

Secretary
 Joint Secretary
 Commissioner of Railway Safety¹⁴
 Deputy Commissioner of Railway Safety
 Deputy Secretary
 Under Secretary
 Junior Analyst
 Hindi Officer

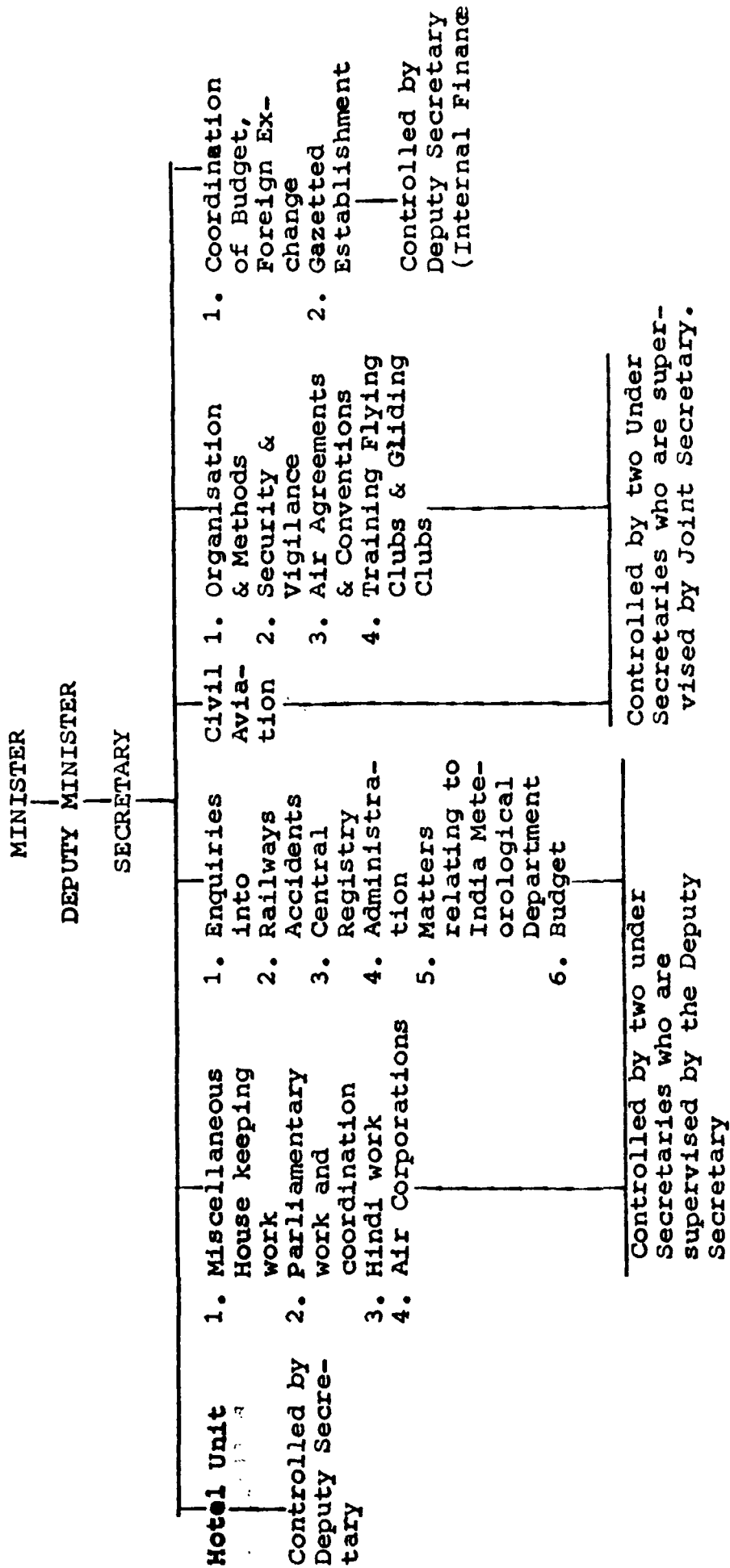
The working of the Ministry of Tourism and Civil Aviation are as follows:

- 1) Provision of aerodromes; aircraft and navigation regulation and organisation of air traffic and of aerodromes.
- 2) To provide beacons and other provisions for the safety of aircraft.
- 3) Carriage of goods and passengers by air.

13. The organisation of the Government of India, *op. cit.*, p. 22A.

14. The Headquarters staff of the commission of Railway safety is subordinate office of the Ministry, Since it is borne on the secretariat of the Ministry, it is included in the above staff strength.

Ministry of Tourism and Civil Aviation
Government of India, New Delhi



- 4) Public undertakings established under the Air Corporation Act, 1953.
- 5) Meteorological organisation
- 6) Railway Inspectorate.
- 7) Development of Tourism in India and abroad.
- 8) Construction of Hotels in public sector.
- 9) Construction of youth Hostel.
- 10) To Implement Treaties and Agreements relating to any of the matters specified in this list.
- 11) Offences against laws with respect to any of the matters specified in the list.
- 12) To institute enquiries and collect statistic for the purpose of any of matters specified in this list.
- 13) To charge fees in respect of any of the matters specified in this list but not including fees taken in any court.

Department of Tourism, New Delhi
(An Attached Office)

The Department of tourism is an attached office under the Ministry of Tourism and Civil Aviation. It performs both promotional and organisational activities. Its work relates to the creation of infrastructure for tourism in all its aspects. It also extends to tourism publicity both in India and abroad. The Department works in close co-operation with the India, Tourism Development Corporation which is a public sector undertaking. The Director

General of tourism who is the head of the Department enjoys the ex-officio status of joint secretary to the Government of India.¹⁵ It is organised in six main sections¹⁶. The following are the main activities of the Department:

1. Development of tourist infrastructural publicity at home and abroad.
2. Compilation, Collation and dissemination of tourist information in India & abroad.
3. Cooperation with international travel and tourism organisations at Government and non Government levels.
4. Regulation of activities of various segments of travel trade, such as hotels, travel agents.
5. Facilitation work such as simplifications of frontier formalities, either directly or in Co-operation with state Government & union Ministers.
6. Compilation of statistic and market research on tourist traffic in India.

Consultative Committee

The Ministry of tourism & Civil Aviation is advised by a Parliamentary Consultative committee Chaired by the Minister of Tourism and Civil Aviation. The Present Committee, reconstituted after the loksabha Election in 1985,

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15. Annual Report, 1971-72, Ministry of Tourism and Civil Aviation, Government of India, New Delhi, p. 1.
 16. These sections are: (i) Travel Trade and Promotions, (ii) Planning, (iii) Hotels, (iv) Publicity, (v) Research and statistic and (vi) Administration. Annual Report, 1982-83, Ministry of Tourism and Civil Aviation, Government of India, New Delhi, p. 56.

consists of 45 Members of both houses of parliament. The Committee once in three months - sometimes more frequently.

It will, therefore, be seen that no major change has taken place in the tourist organisation of India since its emergence as separate Department in 1958 except minor expansions of Parliamentary Consultative Committees.¹⁷ However the organisational and operational structure has been strengthened from time to time through various administrative measure.

TOURIST OFFICES IN INDIA & OVERSEAS

Regional offices were opened in Delhi, Bombay, Calcutta and Madras. This was followed by setting up a chain of information offices all over the country. By 1955, nine such offices were opened.

The functions of these offices in India included supply of up-to-date information to tourists or places of tourist interest, after their arrival in India, keeping in touch with all the segments of travel trade, assisting the tourists in clearance of tourist formalities, i.e. inspection of various facilities available for tourist. Tourist offices were also to ensure that various amenities are

17. United Nation Development Programmes - India Report on Tourism - 1985.

developed and maintained in each region. In addition to attending to foreign tourists, the tourist offices were cater to the need of domestic tourist, all these offices work with mutual understanding of each other.

Regional tourist officer in India had to perform wide ranging duties. Sometimes he acts as liaison officer with the state government, local tourist agencies, Airlines, shipping agencies, and hotels. He has to render all round services to travel trade of the region which may be mentioned as under:

- i. The Regional Tourist Officer helps in providing reservation of berth to foreign tourists through railways, Airlines or shipping agencies.
- ii. Making suggestion for improvement of tourist traffic facilities in the region.
- iii. Assisting Ministry of Transport in the preparation and distribution of publicity material.
- iv. Selling tourist literature supplied by Ministry of Transport and State Government Publication Division.
- v. To issue permits and cards to foreign tourists holding tourist visas, issue of tourist introduction cards to Airlines, Travel Agents.
- vi. Attending to the complaints of the tourists and travel regarding lack of amenities and bringing the same to the notice of the Ministry of Transport and local authorities.

Remaining sub-offices are functioning at the focal point of tourist interest in Agra, Aurangabad, Cochin,

Jaipur, Kanjuraha, and Varanasi, with a view to attract tourists to North Eastern region of the country. "New Offices have been opened recently in Gauhati (Assam) and Shillong (Meghalaya). Moreover at least one office each in Imphal (Manipur) and Hanagar (Arunachal Pradesh) are also required to be opened shortly to facilitate the promotion of winter sports in Gulmarg. A project has been commissioned for opening a project office in Srinagar also.

These tourist sub-offices furnish information to the tourist, regarding travel and tourist attraction centres in the country. These offices work in close collaboration with the State Government, Travel Agencies, Excursion Agency, Hoteliers, Carriers, Shikar outfitters and local tourist car operators with a view to attract foreign tourist to India.

Tourist Overseas Offices:

With the opening of internal tourist offices, the Government of India, decided after independence to open a chain of tourist offices in overseas. The first step in this direction was taken to establish a tourist office in New York in the United States of America in December 1952. The reason for opening this office in the United States of America was to acquaint the Americans with rich tourist resort in India. Besides, a special staff was also appointed in the offices of the commissioner for India in

Srilanka and Australia for the tourist promotion in these countries. To arouse interest, among the European, to visit India, a chain of offices were also opened in the continent. The first office in Europe was opened in London in July 1955. Two offices were opened, one in Paris in February, 1956 and other in Frankfurt in September, of the same year. In order to promote tourist traffic from Australia and New Zealand, a tourist office was opened in Melbourne in September, 1956. Also in 1956 one office was opened in Colombo on the occasion of 2500th anniversary of Gautam Buddha. The office in Colombo was responsible for helping and promoting a large Buddhist traffic from Srilank .

The main functions performed by these tourist offices abroad may be briefly enumerated below:

- i To maintain active contract with Travel Agents, Airlines, Shipping Companies, and related agencies.
- ii To create awareness among the visitors by way of sponsring article in press, Television and Radio Programmes.
- iii To establish good contracts with the Head of the National Tourist Office of other Government Agencies.
- iv To acknowledge up-to-date information to visitors about the tourist facilities in India.
- v To attend to various personal and postal enquiries made by tourists.
- vi To prepare monthly News Letters.

- vii To distribute tourist literature among travel agents, whole-sellers and other concerned agencies.
- viii To organise Film-show of tourist documentaries for the various groups.

Criteria For Opening Overseas Offices:

The most effective strategy for developing tourist traffic from abroad is to establish direct link with other countries, by opening tourist offices there. The main reason is to carry on educative canvassing and propaganda for the promotion of tourism in India. Following are the factors taken into account for opening new offices abroad.

- i) The importance of the place from international point of view.
- ii) The potentiality of tourist market in the area.
- iii) The need to develop tourist resort from exchange point of view.
- iv) The spending capacity and travel consciousness of the population of the country.
- v) The cultural and historical affinity between India and the country concerned.

There are fifteen such Indian overseas offices located in principal cities of several countries of the World. The same are indicated in the table No. 1.1

Table No. 1.1

DETAIL OF OVERSEAS OFFICES ABROAD

Overseas Tourist Office	The area covered
1. New York	U.S.A. including Hawali. Gautimala, Carribea Island.
2. Sanfrancisco	
3. Chicago	
4. Mexico	All countries in latin America Canada
5. Toronto	
6. London	United Kingdom & Europe.
7. Geneva	
8. Paris	Continental Europe.
9. Frankfurt	
10. Brussels	
11. Stöckholm	
12. Milan	
13. Sydney	Australia, Newzealand & Fiji Island.
14. Tokyo	
15. Singapore	Singapore, Kualampur & Thailand.

Source: "Tourism in India", Acharya Ram, Published by
National Publishing House, New Delhi, p. No. 107.

Organisation Set-Up of Overseas Offices:

These Offices are run and controlled by the Regional Officers under the supervision of Regional Directors. The Offices located at New York cover U.S.A. including Hawali, Gautimala and Caribbean Island. Regional Director with head quarter in New York, supervise the functioning of these

offices. Other tourist offices located Chicago, Mexico and Toronto are also supervised by them. In Europe these offices are located at London, Geneva, Paris, Frankfurt, Stockholm, Vienna, and Milan. These offices cover continental Europe under the Regional Director stationed in Geneva. Further, two more offices each in Melbourne and Perth were opened. Tourist office in Tokyo under the supervision of Regional Director covers Japan, the Philippines, Hongkong and Thailand.

The publicity work of overseas offices is directed in close collaboration with "Air India" under the supervision scheme known as "Operation Scheme". The first such scheme called "Operation Europe" was meant to market tourism. Air India had not only made financial contribution to the promotional budget of the department, overseas tourist offices, but also allotted the target to their sales offices in Europe to all India tourism. The Operation Europe Scheme was so much successful that it was extended to other parts of the World. There are six regions from the point of view of tourism development and each of them works under a Regional Director.

The post independence period, besides giving tourist appearance to our existing centres was a direct off spring of our development projects. Today Pipri (Mirzapur), Nainital near Nanak Mata, a Sikh Centre and other multi-purpose projects are under way for college and University students.

International tourists see in them India's determination to achieve economic freedom. They are, indeed, our new pilgrimage centres. Series of Five Year Plan performances have not only galvanised the entire economic structure of the regions but have given fresh stimulus to the growth of tourism.

GROWTH PATTERN OF INDIAN TOURISM-A REGION &
PLAIN-WISE STUDY

International tourism to India has had a phenomenal growth since independence which is better than any other industry. The number of foreign tourists visiting India has increased from 3,00,995 in 1971 to 13,04,976 in 1983. During 1983 a growth of about 1.7 per cent was recorded. The table No. 1.2 will show how international Tourism has grown in India since 1971.

Table No. 1.2

GROWTH OF INTERNATIONAL TOURISM IN INDIA
(1971-83)

Year	Tourist-Arrival	Percentage Change	Compound Growth Rate
1971	3,00,995	7.2	
1972	3,42,950	13.9	
1973	4,09,895	19.5	
1974	4,23,161	3.2	
1975	4,65,275	10.0	11.5
1976	5,33,951	14.8	
1977	6,40,422	19.9	
1978	7,44,995	16.8	
1979	7,64,781	2.2	
1980	8,60,150	4.6	10.6
1981	12,79,210	6.6	
1982	12,88,162	0.7	
1983	13,04,976	1.7	

Source: Tourist statistics 1983 Department of Tourism,
Ministry of Tourism & Civil Aviation, Government
of India, p. 112

It will be seen from the above table, that the increase in tourist traffic to India has been quite impressive. However, there was a slight decline in the growth rate during the period 1971. This decline was partly due to the Indo-Pakistan war 1971, followed by the world-wide oil crises. There were also other factors, like strikes and lockout in Air India, and world wide recession during 1979 to 82, responsible for declining the tourist traffic.

Region and Plan-Wise Study:

Western Europe is consistently the top-most generating region for tourist flow to India. Arrivals from this region were 55,108 in the First Plan period, 1,34,010 in the second Plan Period and 2,13,082 in the Third Plan Period. The traffic registered a phenomenal jump to 5,82,187 during annual traffic shows that arrivals of Western European in India increased from 1,62,884 in 1973 to 3,41,610 in 1983.¹⁸

North America, which covers U.S.A. and Canada, occupies the second position as a tourist - generating area for tourist traffic coming to India. Arrivals from North America were 36,623 during the 5 years of the First Plan Period. The latest data about annual traffic shows that tourist arrivals from North America have declined from the peak level of 73,357 in 1973 to 69,799 in 1974 and further down to 68,123 in 1975. But, therefore, the traffic has picked up and touched 1,25,704 in 1983.¹⁹

Eastern Europe, which covers U.S.S.R. and the Socialist Countries, takes the fourth place so far as the ranking of high-spending tourist regions or markets for tourist regions or markets for tourist traffic to India is concerned. Arrivals from Eastern Europe, began with a very low level of 1975 tourist during the First Plan Period. But the traffic picked up substantially thereafter and arrivals were 14,575 during the Second Plan Period, rising to 23,213 during the

18. Annual Report, India Tourism Development Corporation, 1983, pp. 81-82.

19. Transport Bhawan, New Delhi, Ibid., pp. 85-86.

Third Plan Period. The Fourth Plan Period registered a further jump to 45,986 arrivals. The latest data of arrivals above shows that the annual tourist flow from this region, standing at 12,767 in 1973 has moved upto 16,280 in 1974, and 17,262 in 1975. Arrivals in 1976 have marginally declined to 16,640, but thereafter traffic has picked up and touched 25,683 in 1983.

Central and South America, although fall in the group of high-spending tourist areas, is at the bottom of the region-wise tourist traffic coming to India. Arrivals from this region, which were only 601 during the entire First Plan Period, increased to 3,844 during the Second Plan Period and 9,270 in the Third Plan Period. The position improved further during the Fourth Plan Period, when a further rise to 20,219 arrivals was registered. The latest information from this region shows 4,067 tourist arrivals in 1973, followed by 4,253 in 1974 have risen to 8,824 in 1983.²⁰

Tourist traffic from the continent of Africa occupies sixth place in the region-wise ranking of tourist arrivals in India, although it comes at the fourth place so far as tourist arrivals from Afro-Asian countries are concerned. Tourist arrivals from Africa were merely 1,696 in the First Plan Period, and has picked up to 50,240 in 1983.

20. Ibid., pp. 88-91.

South Asia, comprising of Afghanistan, Iran, Nepal, Sri Lanka and other neighbouring countries, comes at the top in ranking tourist in India from Afro-Asian region and third in all regions of the world. Tourist arrivals from South Asia stood at 13,087 in the First Plan Period and finally 1,13,826 in 1983.

South East Asia, which include Indonasia, Malaysia, Philippines, Singapore, Thailand and other neighbouring countries, takes the third place in ranking of tourist traffic coming from Afro-Asian region and the first place in all regions of the world. Arrivals from this region were 5,090 only in the First Plan Period but jumped to an appreciable level of 62,671 in the year 1983. The tourist arrivals from East Asia and Australia recorded in 1983 are 33,644 and 29,579 respectively.

From the above discussion it is apparent that tourism is growing rapidly throughout the world. It has become India's Largest foreign exchange earning industry. It needs a systematic and scientific approach. The most important ingredient of this industry is not to cater the requirements of real tourists but potential tourists which goes on changing rapidly with the progress of science and technology. By 2000 A.D. we expect 50 lakhs tourists and foreign exchange earning is estimated to be worth Rs.10,000 crores. So the prospects of tourism in India is apredictable in a

land of colourful contrasts. It satisfies the demand of different tourists of different countries. It offers them something exotic and unique which they miss in their own countries. The future of tourism industry in India is challenging not only from the point of view of number of tourists arrival and their requirements but due to competition from other tourism development countries arrivals and their requirements. The Ministry of Tourism has been taking keen interest in this respect and not only encouraging the help of each public sector but provide sector to face this challenge.

INDIA'S TOURISTS PROFILE:

The vast spectrum of world tourism, today, with world-wide spending of 360 billions is a massive reality which most governments of the world are taking note of.²¹ It has continued to grow and prosper in good and bad times generally at a rate faster than the global economy. It represents 6 percent of the world gross products the number of international tourists in 1980 exceed 290 million, but leaves only 1/2 per cent share for India. In statistical sense it is very negligible and expresses a very bad reputation for the industry. However, a rescue for one management stalwart of this industry lies in the reality that most of the tourist traffic moves among the developed countries.²²

21. Travel 77/78 Big Picture ASTA Annual Report (New York) p.

22. WTO (Technical Bulletin, Sept. 1977) p. No.5

The region-wise tourist arrival from the various tourist generating countries have been grouped into ten regions.

North America, Central & South America, Western Europe, Eastern Europe, West Asia, East Asia, South Asia, South East Asia, Africa and Australia are the principal tourist generating markets.

The figure of 1983 is now available and is shown in the table 1.3. The graphic chart indicates the share of Western Europe in the total tourist arrivals constituting 38.6 per cent in 1983, which shows an increase of 9,344 tourist i.e. 2.8 per cent. While the share of North America in the total tourist arrivals was 14.6 per cent in 1983 registering an increase of 11.4 per cent over the previous year. Arrival from the West Asia registered an increase of 12.0 per cent, which accounted for 10.40 per cent in aggregated arrivals.

The traffic from South and South East Asia constituting 2.8 per cent and 7.3 per cent of tourist arrivals registered a decline of 7 per cent and 3.6 respectively. The arrival from East Asia also decline its share in aggregate tourist traffic from 4.1 per cent in 1981 to 3.80 per cent in 1983. The share of the West Asia also declined due to world wide recession all-round.

The proportion of tourist arrivals from Central and South America declined from 1.3 per cent in 1981 to 2.9 per cent in 1983. The share of tourist arrivals from Africa

Table No. 1.3

REGION-WISE DISTRIBUTION OF TOURIST ARRIVALS

Region	Arrivals		Proportion of Total		Percentage of Change	
	1981	1982	1981	1982	1981	1982
North America	107410	112797	12.6	13.1	4.9	5.0
Central & South America	11157	8407	1.3	1.0	34.0	-24.6
Western Europe	331326	332266	38.8	38.6	4.3	0.3
Eastern Europe	22855	21255	2.7	2.5	12.2	-
West Asia	93036	101062	10.9	11.7	19.9	8.6
East Asia	35267	37861	4.1	4.4	1.4	7.4
South Asia	113784	106142	13.3	12.3	5.4	-6.7
South East Asia	65179	65038	7.7	7.6	7.4	-0.2
Africa	45278	44844	5.3	5.2	16.7	-10.0
Australia	26993	29718	3.2	3.4	-7.0	10.0
Others	863	782	0.10	0.20	-0.90	-9.4
	853143	860178	100.00	100.00	06.6	00.8
						02.9

Source: Tourist arrival in India issued by Market Research Division, Department of Tourism (New Delhi) 1983, p. 15.

remained more or less constant. Australia which recorded a decline in number as well as its share in total tourist traffic during the year 1981, compared to the previous year registered an increase of 10.1 per cent in 1982, by improving its share from 3.2 per cent in 1981, to 3.4 per cent in 1982. But in 1983 share of total tourist arrivals declined by 3.1 per cent as against 1982.

The real fact is that the developing countries are not receiving the maximum benefit from tourism due to various reasons including inadequacy of the tourist plan as well as unsatisfactory projection of image. Political uncertainty and less development infrastructure on the other factors.

Age Group:

Visitors to India have been divided into different age groups 3-14, 15-24, 25-34, 35-44, 45-54, 55-64 and 64 and above. The table No. 1.4 : gives the age-wise distribution for the years 1983 from among major national groups.

Table No. 1.4

AGE-WISE TOURIST ARRIVALS : 1983

Nationality	No.	3-14	15-24	25-34	35-44	45-54	55-64	64 above	NA
U.K.	136823	11.8	13.8	20.8	21.8	18.1	9.9	3.8	-
U.S.A.	95847	13.7	9.1	17.6	25.5	16.3	11.9	6.9	-
Sri Lanka	81716	6.8	20.1	32.2	21.6	11.6	5.6	1.9	0.2
Federal Republic Germany	51087	2.2	12.7	20.3	26.9	20.2	10.0	3.7	-
France	50158	1.9	12.6	29.0	23.1	16.1	12.6	5.7	-
Canada	29857	15.4	10.9	23.6	26.0	15.0	6.2	2.8	-
Italy	27947	1.8	11.2	29.8	26.4	17.6	9.8	3.4	-
Japan	26662	1.4	16.1	22.6	28.1	18.4	9.8	3.6	-
Malaysia	25796	5.2	16.5	21.9	19.5	16.1	15.0	5.8	-
Saudi Arabia	25121	4.0	17.4	31.5	23.5	15.1	5.9	2.0	0.7
Others	333717	4.5	15.0	28.2	24.6	16.8	8.1	2.7	0.1
Total	884731	6.7	14.3	25.7	24.1	16.6	8.9	3.6	0.1

Source: Tourist Arrival in India issued by Market Research Division, Department of Tourism, (New Delhi) 1983, p. 18.

According to above table, No. 1.4, tourist in the Age-Groups of 25-34 years (25.7 %) predominate the tourist during the year followed by the tourist in the age-group of 35-44 years (24.1 %) and 45-54 years (16.6 %). The share of the tourist arrivals in the age group of 35-44 years was, however, dominant amongst the nationals of the U.K., U.S.A., Federal Republic of Germany, Canada and Japan. However, with the development of tourist industry as such the tourist of silent age-groups will also undertake tour in the near future.

Distribution by Sex:

Male tourists predominate among visitors to India, as they constituted 69.3 % of tourist arrival in 1983. This is applicable to practically all the countries of the world. The following table No. 1.5 explains the sex ratio of tourists from major countries.

Table No. 1.5

DISTRIBUTION OF TOURIST ARRIVALS BY SEX : 1983

Nationality	No.	Male	Female
U.K.	136823	64.1	35.9
U.S.A.	95847	63.1	36.9
Sri Lanka	81716	67.2	32.8
Federal Republic of Germany	51087	69.7	30.3
France	20857	62.4	37.6
Canada	20857	62.2	33.8
Italy	27947	68.4	31.6
Japan	26662	78.6	21.4
Malaysia	25796	73.4	26.6
Saudi Arabia	25121	92.1	7.9
Others	333717	72.3	27.7

Source: Tourist Arrival in India, issued by Market
Research Division, Department of Tourism, p. 14.

The above table shows that male tourists predominated over all nationalities and accounted for 69.3 per cent, while female tourists constituted 30.7 per cent of the total traffic during 1983. The proportion of male to female amongst tourist from Saudi Arabia was 92.1 per cent and 7.9 percent whereas it was 62.4 per cent and 37.6 per cent in the case of French tourist, Malaysia, Italy and Canada each contributed around, 3 per cent of the total traffic.

Table No. 1.6

QUARTERLY BREAKUP OF TIME VISIT OF TOURIST ARRIVAL
DURING 1981-83

Period	1981	1982	1983	1982/81	1983/82	1981	1982	1983
Jan.-March	228450	227015	231976	-0.6	2.2	26.8	26.4	26.2
April-June	166225	165501	162465	-0.4	- 1.8	19.5	19.2	18.4
July-Sept.	206644	216815	213953	+4.9	- 1.3	24.2	25.2	24.2
Oct.-Dec.	251829	250857	267337	-1.8	10.2	29.5	29.2	31.2
Total	853148	860178	884431	0.8	2.9	100.0	-100.0	-100.0

Source: Tourist Arrivals in India, issued by Market Research Division, Department of Tourism, New Delhi, p. 10.

The above table No. 1.6 shows that the maximum of tourist arrivals, No 25,1829 in 1981 250857 in 1982 and 267337 in 1983, were recorded in the month of October to December. The minimum number of tourist arrivals were recorded in the months of April to June as 1,66,225 in 1981 1,65,501 in 1982 and 1,62,465 in 1983.

The quarterly month wise performance showed negative growth mostly in April to June as 1.8 per cent and July to September as 1.3 per cent. The growth during October to December is quite improve as 10.2 per cent and as a result of the cumulative growth during 1983 reached 2.8 per cent.

Arrivals during the winter is always high due to good season and favourable climate for the tourist. In summer season tourist arrival goes down due to hot weather.

Comparision with Neighbour Countries:

India has been somewhat slow picking up the growth of its tourist arrivals and receipts. A comparative study of the tourist figures with that of India's neighbours in the developing world makes it clear, as is evident in the table No. 1.7.

Table No. 1.7

INCREASE IN TOURIST ARRIVALS AND RECEIPTS OF INDIA AND
HER NEIGHBOURS DURING 1969-70 & 1979-80

Country	(1969-70)		(1979-80)	
	Arrival % Increase	Receipt % Increase	Arrival % Increase	Receipts % Increase
India	20.0	19.9	23.0	22.5
Ceylon	22.3	39.6	27.5	43.5
Nepal	35.5	N.A.	42.5	23.4
Indonesia	31.5	21.2	36.5	24.3
Singapore	32.4	N.A.	37.5	25.2

Source: Report of India Tourism Development Corporation,
New Delhi, 1971 & 1981, p. 9.

India's performance in attracting tourist as compared to her neighbours viz., Nepal, Ceylon, and Singapore is understandably poor. International tourists hold the view that when Singapore and Nepal can affect 32.4 % and 35.3 per cent and 37.5 per cent and 42.5 per cent of increase in their tourist arrivals, why India has failed to push their number beyond 23.0 per cent. An analytical study shall be made to find out this slow arrivals in India, especially of those tourists who spend a large amount of their hard currency in India. In 1976, the department of tourism designated six of these regions in accordance with high spending category of tourists. These regions are North and South America, Europe, Australia, West Asia, and Japan. Prior to 1976, West

Asia was not included as a region. The total number of high spending tourists has been shown in the following table:

Table No. 1.8

PERCENTAGE DISTRIBUTION OF NUMBERS OF HIGH SPENDER
TRAVELLING TO INDIA, 1970-1981

Year	High Spender	Total Tourist	% of high Spenders
1970	215973	280321	76.9
1976	407738	533951	76.4
1977	492983	640422	77.0
1978	552676	447995	73.9
1979	571671	764781	74.7
1980	686601	800150	73.3
1981	621809	853148	72.9

Source: The data for 1970 and 1976-1980 are taken from pages 18 and 15 of Revised Annual Report, Department of Tourism (1981). The data of 1981 are taken from page 14 of Annual Report, Department of Tourism (1982).

It is evident from the above table that the number of tourists in this category has almost tripled between 1970 and 1981, registering an increase from 215973 to 621809. However, the percentage share has declined from 76.9 per cent in 1970 to 72.9 per cent in 1981, which shows a significantly decreasing trend (percentage 0.02) over the period. This is something alarming and efforts should be

made to avoid this declining trend as far as possible through careful planning.

Trends In Tourist Arrivals (India Vis-a-Vis the World) :

A study of world travel statistics reveals that international tourism is mainly confined to developed countries comprising the Americas, Europe, Japan, Australia and New-Zealand. In contrast, the international tourist traffic from developing countries consisting of Africa, Asia (excluding Japan), Australasia (excluding Australia and New-Zealand), has been on the lower side. For instance, in 1983 the share of developed countries accounted for 87.2 per cent whereas that of developing countries only 12.8 per cent of 287 million world travellers. Tourist arrivals from developing countries, which constituted 10.2 per cent during 1979 now accounted for 12.8 per cent. Tourist arrivals in India as a proportion to the world was about 0.5 per cent in 1983 whereas it was 3.6 per cent in the developing countries during the same year. The table No. 1.9 -----, gives the trends in the world tourist traffic and the share of India vis-a-vis the world as well as developing countries in the last 5 years.

Statistics of Indian Nationals Going Abroad:

The data relating to Indian nationals going abroad were first compiled and published in 1977. With the help

Table No. 1.9

TOURIST ARRIVALS (INDIA VIS-A-VIS THE WORLD)

Year	Estimated International Tourist Arrivals (in millions)	Tourist Arrivals in Asia, Africa and Australasia (Excluding Japan, Australia & New- Zealand) (in millions)	Tourist Arrivals in Col(3) as % of Col (2)	Total Tourist Arrivals in India	Total Arrivals in India	
					As % of Col (2)	As % of Col (3)
1979	273.0	27.8	10.2	7,64,781	0.28	2.8
1980	284.3	31.2	11.0	8,00,150	0.28	2.6
1981	287.8	35.2	12.2	12,79,210*	0.44	3.6
1982	285.1	36.2	12.7	12,88,162*	0.45	3.6
1983	286.5(P)	36.6(P)	12.8	13,04,976*	0.46	3.6

* including nationals of Pakistan and Bangladesh.
(P) Provisional estimate.

Source: Tourist Statistics 1983, Department of Tourism Ministry of Tourism and Civil
Aviation Government of India, p. 47.

of Foreigner's Regional Registration Offices (FRRO) and the Tourist Offices at Bombay, Calcutta, Delhi and Madras. It has been possible to compile the data of Indians going abroad from the important air/sea ports in India, As for other ports during 1983, Indian nationals going abroad accounted for 79,762 from Trivandrum airport, 14,239 from Tiruchirapalli airport, 42,848 from Rameswaram seaport, 2,215 from Nagapattinam seaport, 70 from Cochin seaports, 24 from Tuticorin, 126,473 from Attari Road/Rail checkpoint and 31,663 from Haridaspur checkpoint. Even though no informations has specifically been collected regarding the purpose of their trips abroad, according to the Reserve Bank of India, which issues the foreign exchange permits for travel abroad.

POTENTIALS OF TOURISM UNDER SEVENTH PLAN (1985-90)

The Department of Tourism has submitted the Plan Document for the Seventh Plan (1985-90) and the Annual Plan (1987-88) in December 1986 to the Planning Commission. The Annual Plan of the Department was discussed in the Planning Commission on 3rd January 1987. Pursuant to this meeting the Planning Commission originally agreed to an allocation of Rs. 16.73 crores for 1987-88 (including allocation for Youth Hostels), which comes to Rs. 14.54 crores after

excluding tourism for Youth Hostels. Subsequently, the Member Secretary, Planning Commission, informed that the allocation for Department of Tourism has been revised to Rs. 15.00 crores, which after taking out the provision for youth hostels now stands at Rs. 13.82 crores.

If these schemes and programmes as projected under the Seventh Plan are earnestly and judiciously implemented with sincerity and devotion, the tourism promotion is bound to accelerate at a higher growth rate and the industry would come back on the path of economic recovery and development. A result oriented study of these schemes has been made in the following pages, It is, however, hoped that if the amount allocated in the Seventh Plan under different schemes is rightly invested and properly spent will go a long way in bringing down the poverty ratio to 26 per cent by 1990 from 37 per cent during the year 1984-85. It would, of course, be a great contribution of India Tourism Development Corporation. The continuing schemes and New Schemes are result and employment oriented as they lay greater emphasis on human resources development in the areas of social welfare education.

DEPARTMENT OF TOURISM
ANNUAL PLAN 1987-88

STATEMENT SHOWING ALLOCATION FOR CONTINUING
AND NEW SCHEMES FOR 1987-88 (PLAN)

(Rs. in crores)

SNo.	Name of Scheme	Amount
<u>A. Continuing Schemes</u>		
1.	Tourist Village	0.10
2.	Wild Life Tourism	0.50
3.	Cultural Tourism	0.788
4.	Sports Tourism	0.05
5.	Mountain Resorts & Winter Sports	0.80
6.	(i) Interest differential subsidy on hotel loan	0.12
	(ii) Agency Commission to IFCI	0.012
7.	Travel Circuits	0.40
8.	Strengthening of Tourist Organisation	0.24
9.	Production of Tourist Publicity Material	1.50
10.	Overseas Promotion	3.00
11.	Media Relations	0.15
12.	Transport Loan to Private Operators	0.60
Total Continuing Schemes		8.26
<u>B. New Schemes</u>		
1.	Yatri Niwases (joint ventures with States)	0.50
2.	Social Tourism (assistance to Bharatiya Yatri Avas Vikas Samiti for construction of Yatrikas)	0.40
3.	Construction of wild life lodges & other accommodation facilities in sanctuaries.	X
4.	Provision of transport/viewing facilities within the sanctuaries.	X
5.	Provision of mini-buses for transport from nearest city to sanctuaries	X
6.	Tourism Development Fund	0.05
7.	Library	0.05
8.	Research and Studies	0.10
9.	Collection of domestic statistics	0.05
10.	Fairs and Festivals	0.20
11.	Entertainment-floodlighting of monuments, shows, Cultural activities at centres of tourist interest	0.30

SNo.	Name of Scheme	Amount
12.	Interest subsidy to financial institutions for transport loans provided	0.01
13.	Development of facilities at Andamans and Lakshadweep	0.10 (being increase)
14.	Water Transport (Provision of Boats/Barges)	0.20
15.	Subsidy for Stop-Over Tours	0.05
16.	Cultural Tourism-Preparation and Implementation of conservation and environment development Plan:	
	(a) 10 National Heritage Centres	X
	(b) Provision of facilities & environmental planning of other cultural tourism centres of national importance	X 0.50
17.	Development of places of Buddhist Pilgrimages	0.25
18.	Tourist amenities at cultural tourism centres	0.25
19.	Beach Tourism - Beach site motels, Tourist Bungalows, Tourist Huts etc.	0.25
20.	Institute of Water Sports	0.10
21.	Tourism & Environment Steering Group	0.01
22.	Mountain Resorts and Winter Sports (New Centres)	0.10
23.	Trekking and Mountaineering - Assistance to States (Sports Tourism)	X
24.	Water Sports	X 0.20
25.	Sports Tourism and Coordination Committee	X
26.	Travel Circuits	0.30
27.	(a) Tourism Training and grant-in-aid to IIT & TM (including building for Institute)	0.40
	(b) Other Training Programmes	0.02
28.	Construction of Economy Class Hotels jointly with State Governments	0.70
29.	Strengthening of Tourist Organisation	0.08
30.	Office Building	0.01
Total New Schemes		5.56
Grant Total (A+B)		13.82

Details of Schemes proposed to be taken up during the current financial year and the allocation of funds for each scheme is briefly explained below. These schemes would give an idea of the future prospects of tourism as such.

Wild Life Tourism:

Continuing Schemes	Rs. 50.00 lakhs
New Schemes	Rs. 30.00 lakhs

New Schemes Includes:

1. Forest Lodge at Manas.] Rs. 30.00 lakhs. -]
2. Forest Lodge at Sunderbons Hasimara	
3. Forest Lodge at Dudhwa	
4. Forest Lodge at Bandipur	
5. Facilities for view Wild Life within sanctuaries.	

Yatri Niwases:

The Scheme for the construction of Yatri Niwases is a new scheme. It is a joint venture scheme between the central Department of Tourism and the State Governments. The State Governments will provide developed land, electricity, water, approach road, fencing, staff quarters etc. whereas the Central Department of Tourism would render financial assistance for the construction of the building. The maximum assistance in this respect will be to the tune of Rs. 45 lakhs per unit.

The project will consist of 60 bedded accommodation in the form of dormitories, family rooms and double bedded rooms. Selection of the sites will be done on the basis of

importance of the place.

Tourist Village - Rs. 10.00 lakhs.

A Tourist Village is being constructed at Shivpuri. The work is nearing completion. The amount of Rs. 10.00 lakhs represent balance expenditure to be incurred on completion of this project.

Publicity and Promotion:

The allocation under this head is utilised for production of tourist literature for distribution in Indian and overseas production of display material, films, slide presentations, etc. In order to meet the increasing requirements of overseas offices and new areas which are being tapped. The literature, besides being produced in English and Hindi, will also be produced in French, German, Italian, Spanish, Arabic, Japanese, Thai, Chinese, etc. to cater to the requirement of European, American, West Asia, East-Asian and other potential areas.

Overseas Promotion - Rs. 300.00 lakhs

The budget for overseas promotion for 1987-88 is Rs. 300.00 lakhs and the programmes undertaken out of this budget are:

- i) Special campaign and product advertising
- ii) Printing of local interest brochures and translation of literature in local language of various regions.
- iii) Preparation of audio-visuals and films.
- iv) Advertising support to tour operators and other joint programmes with travel trade.
- v) Greater consumer advertising both in the private media and on television in regions where rates are affordable and entail greater potential returns.
- vi) Dovetailing of overseas promotional programme to a global advertising strategy.

Market Research:

During Annual Plan 1987-88, an amount of Rs.15.00 lakhs is proposed to be kept under the following schemes with estimated expenditure:

	<u>Rs. in lakhs</u>
1. Centrally sponsored scheme on Domestic tourism Statistics	5.00
2. <u>Research & Studies</u>	
i) Computerisation	6.00
ii) Study on development of Travel Circuits	1.00
iii) Competitive study of invisible earnings from tourism	0.38
iv) Subscription for co-operative Market Study on Canada to be undertaken by PATA	1.50
v) Ad-hoc Studies	1.12
Total	<u>15.00</u>

Transport Loans - Rs. 60.00 lakhs

This amount will be required to meet the expetises for construction of Air Conditioned Coaches, deluxe coaches,

imported indigenous Cars. Already, applications for loans are being received through Regional Tourist Offices and the response is very encouraging.

Travel Circuits

Continuing Schemes	- Rs. 40.00 lakhs
New Schemes	- Rs. 30.00 lakhs

The following amounts are proposed to be released for the continuing schemes during the year 1987-88. Work on these schemes is in progress.

i) Continuing Schemes	- Rs. 40.00 lakhs
ii) Beach side motels, Tourist Bungalows & Tourist Huts	- Rs. 25.00 lakhs
iii) Setting up an institute of Water Sports at Beaches	- Rs. 10.00 lakhs
iv) Tourism Environment Streccing Group	- Rs. 10.00 lakhs

Sports Tourism

Continuing Schemes	- Rs. 5.00 lakhs
New Schemes	- Rs. 20.00 lakhs

The allocation of Rs. 5.00 lakhs is meant for meeting the residual amount in respect of the schemes already sanctioned during sixth Plan. The amount of Rs. 20.00 lakhs will be utilised for encouraging treckking and mountineering and Water Sports. The Department is in correspondance with the State Governments in the Himalayan region to formulate proposals for promotion of trekking and mountaineering.

A Sports Tourism Coordination Committee under the Chairmanship of Secretary (Tourism) with representatives of Ministry of Sports, Environments, Education, Home Affairs, Defence, Survey of India, Directorate of Diving of the Indian Navy and representatives of other related organisations and experts in the field is proposed to be set up soon.

Cultural Tourism

Continuing Schemes	- Rs. 78.80 lakhs
New Schemes	- Rs.100.00 lakhs

Under this head allocation of continuing schemes will be utilised as follows:

CONTINUING SCHEMES:

1. Tourist Complex at Fatehpur Sikri	Rs. 20.00 lakhs
2. Payment to U.P. Jal Nigam (Residual)	1.08 lakhs
3. Development and Improvement of Varanasi Ghats	Rs. 21.50 lakhs
4. Tourist Complex at Sravasti	Rs. 5.00 lakhs
5. Tourist Complex at Kushinagar	Rs. 10.00 lakhs
6. Development of Bodhgaya	Rs. 7.00 lakhs
7. Raslila stage at Brij Bhoomi	X
8. Gadhisar Tank & Sunset Point Jaisalmer	X
9. Toilet Block at Konark	X
10. Master Plan for Lalitgiri, Udaigiri-Ratnagiri	X Rs. 6.72 lakhs
11. Ajanta Foothills	X
12. Cafeteria at Rajgir	X
13. Jetty at Elephanta	X
14. Master Plan for Chilka lake	X
15. Moomal Tourist Bungalow at Jaisalmer	2.50 lakhs

16. Cafeteria at Hampi	Rs. 5.00 lakhs
	<hr/>
Total	Rs. 78.80 lakhs
	<hr/>

1. Tourist Complex at Fatehpur Sikri:

The first phase of the project for the construction of a tourist complex at Fatehpur Sikri was sanctioned of a tourist complex with an estimated cost of Rs. 69.17 lakhs during 1986-87. An advance of Rs. 10.00 lakhs has been released to India Tourism Development Corporation towards execution of project. It is proposed to release the second instalment of Rs. 20.00 lakhs during the current financial year;

2. U.P. Jal Nigam:

For the boring of tube-well at Terah-Mori-Tal an amount of Rs. 10.15 lakhs was sanctioned during 1986-87 in favour of U.P. Jal Nigam. The instalments amounting to 9.07 lakhs have already been released and the balance of Rs. 1.08 lakhs is proposed to be released on receipt of the utilisation certificate and Progress of work during the current financial year.

3. Development and Improvement of Varanasi Ghats:

For the development and improvement of Varanasi Ghats an amount of Rs. 64.50 lakhs was sanctioned, out of which

the first instalment of Rs. 21.50 lakhs was released during 1986-87. On receipt of the Progress of work and utilisation certificate, it is proposed to release the second instalment of Rs. 21.50 lakhs during the current financial year.

4. Tourist Complex at Sravasti:

For the construction of a tourist complex at Sravasti as per the design prepared by NID, Ahmedabad, the project with an estimated cost of Rs. 63 lakhs was proposed by the standing Finance Committee. An advance of Rs. 20.00 lakhs was released to CPWD towards execution for the project. A further instalment would be released on receipt of the utilisation certificate.

5. Construction of a Tourist Complex at Kushinagar:

For the construction of this complex, land measuring 15 acres was acquired during 1981-82 at a cost of Rs.22.17 lakhs. The project is proposed to be executed as per the design prepared by the NID, Ahmedabad. It is proposed to release Rs. 10 lakhs towards the execution of this project during the current financial year.

6. Provision of Facilities at Brij Bhoomi:

For the construction of a Raslila Stage at Brij Bhoomi an amount of Rs. 1.18 lakhs was sanctioned out of which an advance of Rs. 1.00 lakhs has been released to the State

Government. The balance of Rs. 0.18 lakhs would be released on receipt of the progress and utilisation certificate.

7. Development of Bodhgaya (Gautam Van) :

The Department of Tourism had acquired 21.55 acres of land. It has been decided to landscape the entire area with an estimated cost of Rs. 20 lakhs. An advance of Rs. 3 lakhs was released to India Tourism Development Corporation during 1986-87. It is proposed to release the second instalment of Rs. 7 lakhs. towards execution of this scheme, in the current year.

8. Development of Gadhisar Tank and Sun-set Point at Jaisalmer:

During 1985-86 an amount of Rs. 3.78 lakhs was sanctioned for the development of this scheme. An advance of Rs. 3.40 lakhs has been released and the balance of Rs.0.38 lakhs would be released on receipt of utilisation certificate.

9. Construction of a Toilet Block at Konarak:

An amount of Rs. 3.49 lakhs was sanctioned to the Government of Orissa for the construction of a toilet block at Konarak. An advance of Rs. 2.61 lakhs was released during 1986-87 and the balance of Rs. 0.88 lakhs is proposed to be released during the current financial year.

10. Preparation of Master Plan For Lalitgiri-Udaigiri-Ratnagiri:

An amount of Rs. 4 lakhs was sanctioned during the year 1984-85. Two instalments amounting to Rs. 3.20 lakhs have already been released during Sixth Plan. The balance of Rs. 0.80 lakhs is proposed to be released during the current financial year.

11. Ajanta Foot Hills:

The environmental condition and facilities along the foot hills of Ajanta Caves in Aurangabad District required improvements. The State Government has prepared an estimate of Rs. 40.09 lakhs for this project. This project is to be implemented in three phases. The Department has sanctioned an amount of Rs. 13.20 lakhs out of which an advance of Rs. 10.35 lakhs has been released for the State Government.

12. Construction of a Cafeteria at Rajgiri:

For its construction, an amount of Rs. 5.04 lakhs was sanctioned during 1986-87 out of which an advance of Rs. 2.50 lakhs has already been released to the State Government. A token provision has been provided in the current years' budget.

13. Stengthening of Shet Bunder Jetty at Alephanta:

In 1985 the State Government had proposed to the Department for financial assistance for the improvement of Shet Bunder Jetty at a cost of Rs. 17.96 lakhs. The project was

sanctioned in 1986 for Rs. 10.50 lakhs and an advance of Rs. 8 lakhs has been released. The remaining amount is proposed to be released during 1987-88.

14. Preparation of Master Plan for Chilka Lake:

For the preparation of this plan, an amount of Rs.8.25 lakhs was sanctioned during 1986-87 out of which an advance of Rs. 2.00 lakhs has been released. It is proposed to release the second instalment during 1987-88.

15. Moomal Tourist Bungalow at Jaisalmer:

An amount of Rs.10.50 lakhs was sanctioned for the construction of 20 Cottages at Moomal Tourist Bungalow, Jaisalmer. Two instalments of Rs. 8 lakhs have been released during the Sixth Five Year Plan. The balance of Rs. 2.50 lakhs is proposed to be released during 1987-88.

16. Construction of Cafeteria at Hampi:

The Department has sanctioned an amount of Rs.15 lakhs for the project and released an advance of Rs. 7.50 lakhs in July, 1986. The land has now been acquired by the State Government and the work is on. It is proposed to release Rs. 5 lakhs during 1987-88 on receipt of the progress report and utilisation certificate.

NEW SCHEMES:

The New Schemes to be taken up under cultural Tourism include:

- a) Preparation and implementation of conservation and environmental development Plan for 10 National Heritage Centres.
- b) Preparation of Master Plan.
- c) provision of facilities and environment Planning at other Cultural Tourism Centres.
- d) Provision of toilet and drinking water facilities, and;
- e) Improvement of facilities at Buddhist sites.

The details of these schemes have been discussed as under:

a) National Heritage Centres:

It is proposed to take up 10 master plans as Heritage Centres for which master plans have already been prepared. During 1987-88 the following Centres will be taken up:

Konarak in Orissa Pandrethan, Avantipur and Martand in Jammu & Kashmir, Mewar Complex in Rajasthan, Aihole, Pattadakal and Badami in Karnataka. Provision of facilities would be taken up at these centres in consultation with the state Government.

b) Preparation of Master Plan:

During 1987-88, it is proposed to prepare master plan in respect of Colkunda in Andhra Pradesh, Chitorgarh in Rajasthan, Gawalior Fort in Madhya Pradesh and Sankarya in U.P.

c) Provision of Tourist Facilities at Cultural Tourism Centres:

In addition, to the National Heritage Centres, it is proposed to provide tourist facilities and environmental

development particularly at centres for which the master plans have already been prepared during the earlier plans. The following schemes are proposed to be taken up during 1987-88.

1. Environmental development and restoration of Pushkar Ghats.
2. Tourist infrastructural facilities at Brij Bhoomi including way side facilities.
3. Creation of Pallava Puram Village Complex at Kanchipuram.
4. Provision of wayside amenities at Chitambaram Natraja Temple.
5. Provision of facilities at Shringeri.
6. Provision of facilities at Halebid (Hoysale Cultural Centre).

It is proposed to take up the provision of infrastructural facilities at other cultural tourism centre in South West and North East region. Specific schemes would, however, be taken up in consultation with the State Government.

d) Provision of Toilet and Drinking Water Facilities at Cultural Centres:

The working Group set up for formulation of the Seventh Five Year Plan had identified a number of cultural sites in India which are lacking in toilet and drinking water facilities appropriate for tourists. These are as follows:

Elephanta	-	Ajanta	-	Ellora	-	Bodhgaya
Nalanda	-	Rajgiri	-	Sarnath	-	Kushinagar
Sravasti	-	Sanchi	-	Aihole	-	Badame
Pattadakal	-	Hampi	-	Hijapur	-	Khajuraho
Bhubaneswar	-	Konarak	-	Delhi Monuments	-	Agra
Fatehpur Sikri	-	Mahabalipuram	-	Goa	-	Martand
Awantipur	-	Pandhathan	-			

The implementation of this scheme would be carried out

by the Archaeological Survey of India who are controlling these monuments and sites.

e) Development of Buddhist Sites:

For the development of accommodation and the laying out of landscaping, meditation parks, meditation pavillions, lotus ponds, cafetarias, wayside amenities etc., in an integrated manner within the frameworks of master plan centres, an amount of Rs. 25 lakhs has been provided in the Annual Plan 1987-88. It is proposed to create a number of such facilities in the states of U.P., Bihar, Andra-Pradesh, and Madhya Pradesh.

8. Institute of Tourism & Travel Management:

- | | |
|-------------------------------|-------------------|
| i) The amount allocated | - Rs. 48.00 lakhs |
| ii) Other Training Programmes | - Rs. 2.00 lakhs |

This institution has been registered in January 1983 under Societies Registration Act, 1860. Since then it held several workshops/Seminars. A series of Seminars are proposed for 1987-88 as also taking up Post Graduate Programme.

The Institute will take up construction of its building for which a sum of Rs. 35 lakhs out of Rs. 48 lakhs has been earmarked. It will carry out research and other consultancy services. It will also build a Library of books and other reference material and undertake publication of suitable literature.

9. Mountain Resorts & Winter Sports:

Continuing Schemes	- Rs. 80.00 lakhs
New Schemes	- Rs. 10.00 lakhs

Under this scheme the Department is managing the Winter Sports project through the Indian Institute of Skiing and Mountaineering at Gulmarg. This Project was started by the Department in 1986. A number of components of the Project such as construction of the road between Tangmarg and Gulmarg, provision of chair lift, ski lift, snow clearing equipment, have been completed. The three components relating (i) The Construction of ropeway (ii) Indian Institute Building and (iii) India Tourism Development Corporation Hotel will come up in the Seventh Plan. The Institute building is estimated to cost Rs. 175 lakhs and India Tourism Development Corporation hotel Rs. 100.00 lakhs.

In addition, the Department will also be providing financial assistance for constructing Ski courses at Auli, Joshimath (U.P.) and Narkanda and Manali (H.P.) In Auli, the Department has also agreed to provide construction of cottages (20 persons) and a restaurant. An amount of Rs. 10 lakhs has been earmarked for New Schemes under this head.

Interest Differential Subsidy and Agency Commission : Rs. 13.20 lakhs.

Under this scheme interest subsidy is given to IFCI on loans advanced by them for hotel construction. This subsidy is available on loans to 4-5 Star hotels @ 1 per cent.

The present subsidy on hotel loan is not considered adequate as this is available only to 4-5 Star hotels and that too on loans through IFCI and not loan through other Financial Institutions. The Working Group on hotels set up for the formulation of Seventh Plan anticipated that 29,000 additional rooms would be required during the Seventh Plan to meet the target of 2.5 million tourists arrivals by 1990. It is therefore necessary to ensure that there is appropriate expansion of hotels. While there is great need for budget class accommodation, the construction of 4-5 star hotels cannot be over-emphasised. It is necessary to have a proper mix of various types of accommodation required by tourists. If a foreign tourist wants to stay in a 4-5 star hotel, we should be able to provide appropriate accommodation in this category particularly considering that the affluent class of foreign tourists spend almost 3 times in foreign exchange than the budget tourists. From foreign exchange point of view also, it is necessary to keep on helping this category of accommodation even though at a lesser scale than for the economy class hotels.

The High Power Committee appointed under the Chairmanship of secretary (T & C A) also appreciated the need to give a further boost to budget accommodation. The Committee is of the opinion that budget accommodation should be given an interest subsidy up to 5 per cent. Considering all these factors,

it is proposed to give interest subsidy to various categories of hotels on the following Slab Basis:

- i) For 4-5 star hotels upto a loan ceiling of Rs. 5 crores interest subsidy @ 1 per cent.
- ii) For 3-Star Hotels with traffic upto Rs. 350 per day at 1986 price level the interest subsidy upto a ceiling of Rs. 1.5 crores @ 2 per cent.
- iii) For 2-Star Hotels with a tariff of Rs. 250 per day at 1986 rate the ceiling of loan would be Rs. 100 lakhs with interest subsidy @ 3 per cent.
- iv) For 1-Star Hotels and other categories with tariff of Rs. 200 per day at 1986 rates the ceiling of loan would be 100 lakhs with interest subsidy @ 4 per cent.

Further, an additional interest subsidy of 1 per cent would be admissible to all these hotels but would be linked to the prompt and timely repayment of loan instalments.

The above rates of interest subsidy are considered essential to boost an appropriate mix of all categories of accommodation keeping in view the expanded requirement of hotels beds to meet our target of tourist arrivals. The planning Commission has agreed in principles. This is only an extension of the scheme already in force. The subsidy would be available for loan disbursed after 1-4 1987 whether for new construction or substantial expansion or for renovation.

Construction of Economy Class Hotels Jointly
with State Government - Rs. 70.00 lakhs.

Hotel accommodation is a very important segment of travel industry and an essential component for the growth

of tourism. Keeping in view the target of 2.5 million tourist by 1990, it is necessary to augment appropriate type of accommodation in the country. The sub-group on Hotels accommodation had projected the need for 29,000 additional rooms by 1990. This requirement, estimates a rate of growth @ 9.8 per cent per annum on the base year of 1983. The factor has been taken its account to work out the number of hotels required at each place of tourist interest after taking into consideration the following factors:

- a) Actual number of international tourists visiting that place during the given period;
- b) Average length of stay of international tourists in that place;
- c) Ratio of domestic tourists to international tourists visiting the place;
- d) Double occupancy ratio; and
- e) Room occupancy ratio desired by the hotels in that place.

This scheme forms part of the Seventh Plan as well as the Annual Plan Document submitted to the Planning Commission. The Department is already in touch with the State Government for identification of locations of such hotels. A provision of Rs. 70 lakhs has been made in the Annual Plan (1987-88) for this purpose.

CONCLUSION

Tourism has become a global phenomenon in the last 40 years. Its performance has been quite impressive. Better and faster means of communications have resulted in a massive movement of people throughout the world drawing them closer through experiencing and appreciating one another's culture and life-style. To give an idea of the dimensions of world travel, in 1984 there were about 12,10,752 lakhs world travellers who spent about Rs. 8,920 millions. In India alone about 6 million people are carried daily by the railways within the country. According to the projective made by India Tourism Development Corporation, the tourist arrivals in India during 1984 and 1985 were 12,28,000 and 14,30,000 respectively. It is felt that by 2000 A.D., the corporation expects 50 lakhs tourists and foreign exchange earning amounting to Rs. 10.00 crores.²³ The estimated tourist arrivals from 1985-90 projected by Institute of Economic & Market Research further reveals that India's share in world tourism has been rising from 0.35 % in 1985 to 0.46 % in 1990. This rising trend both in terms of tourist and foreign exchange earning would help correct our adverse trade balances, regional imbalances and create employment opportunities and give a direct stimulus to the socio-economic development of backward areas of the country.

23. Report submitted by Institute of Economic and Market Research, 1977, p. 18, conducted by India Tourism Development Corporation, New Delhi.

The author has further analysed the growth of tourism by interpretation of datas and has drawn conclusion that if the schemes and programmes as projected under the Seventh Plan are earnestly and judiciously executed with all sincerity and devotion, the promotion of tourism is bound to accelerate at higher growth rate. This can help put the tourism industry back on the path of economic recovery and development and go a long way in bringing down the poverty ratio to 26 % by 1990 from 37 per cent during 1984-85.

The study reveals that there are unlimited potentials for tourism development in India. It is high time to explore these vast resources through well planned, well-defined and fully integrated national programmes of investment in tourism. The rational of growth of tourism may be judged from the following facts.

- i) Tourism helps to preserve, retain and enrich our world-view and life style, our cultural expressions and heritage in all its manifestations. The prosperity that tourism bring must cause accretion and strength rather than damage to our social and cultural values and depletion of our natural resources.
- ii) It brings about socio-economic benefits to the community and the state provides employment opportunities, generate income and other revenues for itself.
- iii) It affords a direction and opportunity to the youth of the country both through international and domestic tourism to understand the aspirations and view points of others and thus to bring about a greater national integration and cohesion.
- iv) It also offers opportunities to the youths of the country not only for employment but also for taking up activities of nation building character like

sports and adventure. The Asian Games, International matches like Badminton, Hockey and Cricket. Athletic meet, Festivals, cultural shows and International Trade Fairs are some of the examples.

Further, the growth and development of tourism is not solely the responsibility of the government alone. It is a joint endeavour of all the agencies vitally concerned with its development at central and state level of public sector undertakings and the private sector viz., the airlines, the railway and the tele-communication systems, municipal and local bodies, and educational and cultural organisations. These combined efforts will be directed in achieving a comprehensive, well-rounded and integrated development enabling tourism to make a positive contribution to the economic growth of the country.

It is, therefore, recommended that increasing attention should be paid to enlarge the base of regional tourism i.e., the tourism among the countries of the South Asian Region (comprising the Indian sub-continent), extending the scope to cover Afghanistan, Iran and the Republic of Maldives. Through promotion of tourism in the region, tourism will attempt to play its role in bringing about greater understanding among the countries of the region and consciousness of the oneness of the region. Thus, in order to maximise the benefits of tourism it will be necessary to have a selected approach for determining investment priorities, rather than spread the resources and thereby dilute the impact of future tourism. Priority will be given to schemes which yield good

economic returns and generate social benefits.

To sum up, India has a long tradition of social and cultural values and possesses a spiritual quality that has come down unbroken from time immemorial. The cultural, social and economic benefits of tourism should give a new ethos and value to tourist industry.

Hence in India, impartial and realistic studies are required so that the country's natural tourism assets could be deployed for economic and financial gains in a big way. This should be taken as a pre-requisite to the Government's decisions on policy for development of its tourist industry. The long term potential appeal of India's natural tourism assets should be evaluated in relation to the appeal of similar assets in future competing countries. The country's overall tourism policy should be based on selected targets which are realistically attainable and will produce maximum socio-economic benefits over the longest period of years. It is, therefore, our earnest desire that India being a tourist destination area should enjoy political stability so that an image of peaceful co-existence may be maintained in the tourist markets. It is essentially felt that the tourism industry of India should acquire the status of an export oriented industry. It is in this context that an effort has been to analyse and examine the hurdles that stand in the way of growth and promotion of tourism in India. It is highly the less developed and the unwieldy tourist infrastructure which has retarded the growth of tourism in India. Therefore, this forms the subject matter of the subsequent Chapter entitled "Economic Aspect of Tourist Infrastructure".

Chapter - II

"ECONOMIC ASPECT OF TOURIST INFRASTRUCTURE"

In the previous chapter I, the study of the growth of Tourism in India is made and it has been stated that a highly developed and sound infrastructure is an essential feature for the promotion and growth of tourist industry. Hence the present Chapter II entitled "Economic Aspect of Tourist Infrastructure" suggests ways and means of improving and developing an economically healthy infrastructure by eradicating the hurdles and bottlenecks retarding its progress.

In India, where regional imbalances are in the grip of poverty, the backward areas are becoming more and more backward as they are devoid of industrial activity due to undeveloped nature of infrastructure.

The strengthening of a country's economic infrastructure with regard to transport and communication, the supply of water and electric power and the provision of health, education and other public services, such as sewage disposal, is frequently a priority task in development planning. The infrastructure provides the services which are

indispensable to the progress of tourist industry in the same manner as that of agriculture and other sectors. The arrival of foreign visitors presupposes the existence of Airports, Seaports and other terminal facilities leading to roads. Their mobility inside the country depends on roads and other transport links, such as railways or domestic air services. Wherever they stay and wherever they go, they use public services and bring about an increase in the total consumption of such things as water and electricity, particularly at peak hours and seasons.

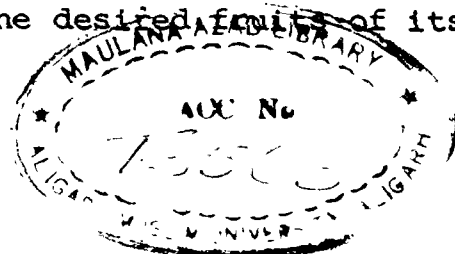
In the present chapter, the main kinds of infrastructure which are relevant to tourist industry and necessitated by its growth are discussed, and questions relating to the nature, Cost and timing of the requisite investments are considered. The subject is a complex one, since much of the infrastructure used by tourist serves more than one purpose. Costs and benefits are therefore widely distributed and cannot easily be attributed to one particular sector or activity. Even where the infrastructure of a region is predominantly designed for tourism, it is probably that over a longer period it will also serve non-tourist establishments, which are attracted to the region through the multiplier effects of the expenditure of visitors. Moreover, even if the social costs of providing the services are left out of account, it is not easy to assess the return on the original investment when (as applies generally to roads) there

is no pricing system in the form of user charges.

As consumers of goods and services, visitors, as well as domestic tourists, make demands on every kind of infrastructure. Of primary importance, perhaps, and that which is considered in greatest detail here, is the transport infrastructure, especially the transport services, such as airports which help the movement of foreign visitors. There are also other basic services, such as the provision of water, energy and sewage disposal, which a visitor expects to find laid on. To a lesser extent, visitors will also expect to enjoy reasonable postal and telecommunication services.

Public expenditure in such fields as flood control swamp clearance and the provision of public services like street lighting and paving, also fall within the general concept of infrastructure.

National planning and a comprehensive national programme for the development of a tourist industry is all the more essential in a developing economy. A national programme for tourism takes into account the cost gap of infrastructure and general services. It clearly outlines the potential and the possible rate of return on relevant investment based upon market research, survey and careful evaluation of all inputs. In order to have a comprehensive practical programmes and to reap the desired fruits of its



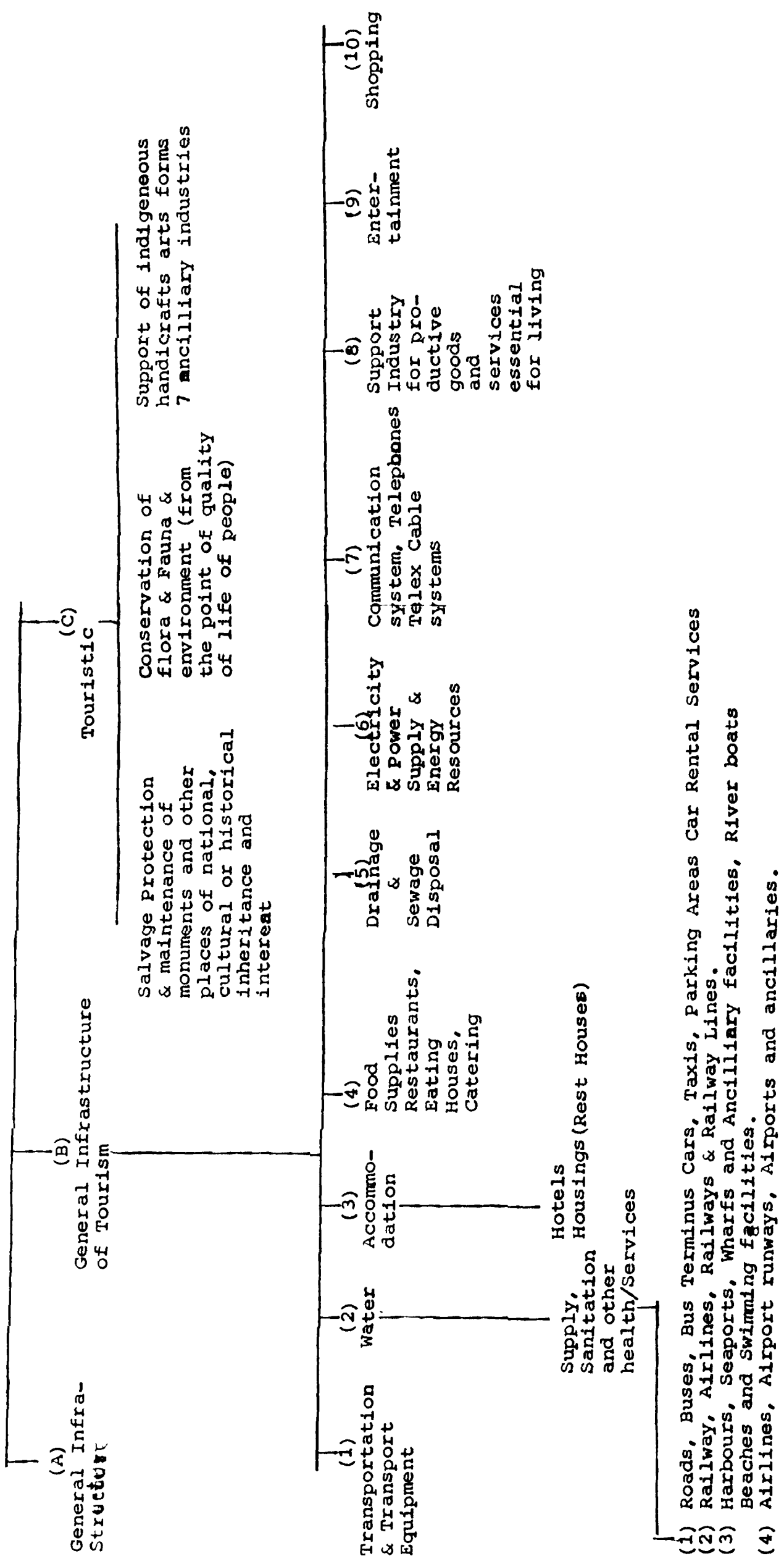
implementation to investors, the local resident, the state and the tourists, should work out an attractive and educative programme collectively.

Needless to say that the successful setting up of the tourist programme is dependent basically upon the growth and development of the general economic infrastructure of the nation.

The programme of infrastructure requirements may be divided into three major groups as shown in the Chart No. 2.1. It gives the various segments and component parts of a sound infrastructure. These parts work individually and collectively for the healthy growth of an infrastructure. A detailed description of this tourist infrastructure has been made in the following pages.

TRANSPORT INFRASTRUCTURE:

Investment in transport infrastructure deserves special consideration in any discussion of the infrastructure required for tourism. Without transport facilities, there can obviously be no tourism at all, and transport may easily absorb a large share of the total investment in infrastructure devoted to tourism. On the other hand, over-spending on transport improvements in developing countries, whether for tourism or other purposes, is not uncommon. In this section B, therefore, the relevance to tourism of various forms of transport infrastructure is discussed:



Source: Tourism & Hoteliering. Negi : J.M.S. Gitanjali publishing House, New Delhi, 1982, p.121

- | | |
|----------------------|---------------------------------------|
| 1. Road Transport | - Coaches, Taxi Motor Cars, Buses. |
| 2. Railway Transport | - Trains and Tramways |
| 3. Air Transport | - Aeroplane, Helicopter |
| 4. Sea Transport | - Boats, Ships, Hydrofoils, Steamers. |

Transport systems in India is financed and controlled by the government. The private system controls only the trucking industry, whereas a small portion of shipping industry, and about 40 per cent of non-urban passenger by road transport. The government owns and partially finances the railway, state road transport undertaking, the ports, and all institutions, involved in civil Aviation. It is also responsible for the construction and maintenance of all roads. Some of the responsibilities rest only with the central government while others are shared with the states.

Transport investment represents an important part of total investment in India. But regarding tourist transport, due consideration is not given by the government of India, Though it plays a crucial role in the overall economic development of the country, the share of transport investment in total public investment has declined over the last thirty years as shown in the Table No. 2.2.

This table depicts the transport expenditure in the first three plans contributed to over 22 % of total investment, declining to about 15 % in the next two plans, to over

Table No. 2.2

ALLOCATION OF PUBLIC FUNDS FOR TRANSPORT IN INDIAN DEVELOPMENT PLANS

	First Plan 1951-56	Second Plan 1956-61	Third Plan 1961-66	Annual Plan 1966-69	Fourth Plan 1969-74	Fifth Plan 1974-78	Draft Plan 1978-83	Sixth Plan 1980-85
(Annual Averages of Actual Expenditure in 1970-71 Rs. billion)								
Railway	0.95	2.70	4.11	1.98	1.67	2.21	3.61	4.47
Roads & Road Transport	0.64	0.91	1.45	1.41	1.77	2.15	3.15	4.06
Ports	0.12	0.13	0.31	0.24	0.47	0.62	0.56	0.64
Shipping	0.08	0.20	0.12	0.12	0.28	0.52	0.69	0.66
Civil Aviation	0.10	0.19	0.16	0.26	0.32	0.30	0.75	0.75
Total Transport	1.89	4.13	6.15	4.01	4.51	5.80	8.76	10.58
Total Plan	8.54	17.43	26.64	25.77	28.28	40.67	74.72	85.45
Transport in Total Plan (%)	22.1	23.7	23.1	15.6	15.9	14.3	11.7	12.4
Price Deflator (1970-100)	45.9	53.6	64.4	85.7	11.6	178.2	185.7	228.2
(in percentage)								
Railway	50.2	65.4	66.8	49.4	37.0	38.1	41.2	42.2
Roads & Road Transport	33.9	22.0	23.6	35.1	39.3	37.1	35.9	38.4
of which Road Transport	N.A	1.7	1.4	5.2	5.0	8.8	9.1	9.9
Ports	6.3	3.1	5.0	8.0	10.4	10.7	6.4	6.1
Shipping	4.3	4.9	2.0	3.0	6.2	9.0	7.9	6.2
Civil Aviation	5.3	4.6	2.6	6.5	7.1	5.2	8.6	7.1
Total Transport	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Author's estimates on the basis of Development plans. See Statistical Appendix Table 5 for source and methodology. Journal of Transport Management Dec. 83 p.7.

14 % in the fifth plan and to 12.4 % in sixth plan. This trend can only be explained by the need, in earlier years, by concentrating on basic infrastructure, and by higher priorities being placed on other sectors in later years. However, the current plan allocation to the transport is over 50 % higher in real term than the actual investment in 1974-79.

The subsectoral allocation of public transport investment also varied over time. Between 1951-52 and 1968-69 the variation was about 60 % over 1956-1966 period. Subsequently, the share of railways in sectors, public investment dropped to about 40 %. The share of road ranged between 22 % and 30 % of the sectors outlays in most plan periods, except during the fourth plan when it rose to 34 %. Public road transport, which had received a share of 11.4 % in the Third Plan, accounts for almost 10 % in the current plan. The relative balance of investment funds between rail and road has changed in line with rapidly expanding role of road transport. The development of major and minor ports accounted for only 3 % of the sectors outlays in the Second Plan, but its share rose to 11 % in the Fourth and Fifth Plans. The large port investment allocations during the period 1969-78 reflect an expansion programme on the east coast which is completed. Port development was planned at about 6 % of expenditures in the current plan, though its actual share is likely to increase further due to investment

in the new Nhava Port which was not originally included in the Plan.

The allocation of investment funds to each sub-sector is made by the Planning Commission on the basis of projected transport demand and available capacity in mode, and taking into account recommendations from the relevant agencies and department. The same has been explained by the Table No. 2.3.

As shown in the above Table No. 2.3, the disaggregation of planned outlays in transport in the Sixth Plan was state responsibility. Investment in railways accounts for about 62 % of transport investment by the centre, while investment in roads and road transport account for about 78 % of states investment in the sector. Investment in railways amounts to 11 % of total planned investment by the centre, while in roads and road transport accounts for about 7 % of the investment financed by the states.

On the basis of 1982-83 Budget figures, Plan expenditure on transport during the first three years of the Sixth Plan would amount to 45 % of total projected plan period in real terms. This ratio is 48 % for the Centre and 39 % for the states. Achievement of expenditure target varied between subsectors. Railways, Civil aviation and road transports are closer to their Plan targets than roads, ports or shipping. This is partly due to higher priority given to those subsectors by the Government.

Table No. 2.3

SIXTH PLAN OUTLEY FOR TRANSPORT INVESTMENT
(Rs. billion)

(1979-80 prices) (current prices)

Sixth Plan Outlay		Actual 1980-81		Actual 1981-82		Budget 1982-83	
Centre States	Total	Centre States	Total	Centre States	Total	Centre States	Total
Railway	51.00 -	51.00	9.73	9.73	12.09	-	13.32
Roads	8.27 26.09	34.36	1.14	5.17	6.31	1.25	5.81
Road Transport	0.70 11.26	11.96	0.17	1.84	2.01	0.13	2.10
Ports, Lighthouses & Shipping	13.27	1.08 14.35	1.55	0.19	1.74	1.77	0.33
Civil Aviation	8.55	9.10 17.65	1.24	N.A	1.24	1.45	0.02
Inland water Transport	0.45	0.27 0.72	0.03	0.04	0.07	0.06	0.03
Total	82.24 47.60	130.04	13.86	7.24	21.10	16.76	8.29
Total, in Constant price a	82.24 47.80	130.04	12.34	6.44	18.78	13.15	6.51
						19.66	14.30
						5.60	19.91

(a) Deflated to 1979-80 prices using Gross Domestic Capital Formation Deflator.

Source: Planning Commission and author's estimates based on Sixth Plan and Annual plans data.

This subsector allocation seems to have been appropriate since railways, civil aviation and road transport have faced a fast growing demand. This has not been the case in the other subsectors, particularly shipping.

Road Transport:

The importance of roads for international tourism is essentially great for receiving countries neighbouring on countries of origin of the tourist traffic and for those where the distances from the place of residence in the countries of origin (and distances within the country or countries of destination) are short. Arrival by road predominates, and tends to account for a rising share of total arrivals, in those countries which border on the main country of origin of tourists. In a developing country like ours that depends mainly on visitors who arrive by other means, roads for tourism are secondary importance, and where long distances are involved air, and possibly rail, services are more important. Nevertheless, daily and longer circuits from the main centres are organised for groups by bus and coach or are undertaken individually in hired cars, and minimum standards of comfort and security must naturally be assured. Visitors must also be able to reach their coastal or other destination from the airport. In Ceylon, for example, the deterioration of the road network has been a hindrance to tourists wishing to travel outside Colombo to visit or stay in other places of interest. This was one important factor taken into account in

the country's highway development scheme, for which Ceylon recently obtained international credits.

Similarly, new or up-graded roads intended to promote the economic development of regions which have been handicapped by poor communications may be justified partly by reason of the contribution they will make to the spread of tourism, alongside their contribution to other activities. There are circumstances in which the decision to construct or improve certain roads is governed almost exclusively by consideration of tourism, just as there are roads that serve essentially agricultural area. The reason is that visitors who come by car are very mobile and that tourism tends to concentrate in certain regions, to which access by road is necessary, even if visitors arrive in the country by air or sea. As tourism develops in these regions, the roads connecting them to the main network, which formerly carried little traffic within due course become congested beyond the limits of tolerance.

The development of road travel is bringing about fundamental changes in the development of tourism in the growth of resorts, hotels and other services. Road transport plays an important part in the field of tourism in all over the world. Unlike the other forms of transport, the cost of transport per kilometer has little effect on the amount of travel budget. The attitude of Indians towards transport is influenced greatly by the economic factor. Poor

economic status does not permit the people to avail of cars or comfortable luxury coaches in railways. A majority of tourists International or domestic prefer to travel by state buses or private coaches from one tourist place to another. The public sector is taking the lead by providing 58,128 buses, nearly 50 % of total buses in the country.

The motor vehicle in India is in the modest capacity in comparison to advanced countries. The following table 2.4 gives approximately the number of vehicle in the country registered on March, 1984.

Table No. 2.4

TOTAL NUMBER REGISTERED VEHICLE - 1984

Particular	Units
Cars	907,000
Jeeps	159,000
Buses	167,000
Trucks	575,000
Tractors	495,000
Two-wheelers	2,207,000
Three-wheelers	172,000

Source: "Automobile industry of India" published by All India automobile and ancillary industry association Journal of transport management March, 84, p. 8.

The Government has licensed ^{to} the automobile manufacturers to collaborate with foreign countries for the purpose

of raising the current automobile status in India to a noticeable degree. The table No. 2.5 below presents the various collaboration between Indian & Japanese companies in order to have comfortable journey to the tourists using road vehicles.

Table No. 2.5

NEW COLLABORATIONS OF AUTOMOBILE MANUFACTURES

Company	Foreign Collaboration four wheeler	Production
Maruti Udyog Ltd.	Suzuki Co.	Car, Vans, Pickups Van and Jeep.
DCM-Toyota Ltd.	Toyota of Japan	Light vehicle, Commercial vehicle
Swaraj Vehicles	Mazda Motor Co. of Japan	
Allwyn Nissan Motor	Nissam Motors	
Eicher Goodearth Ltd	Mitsububishi	
Hindustan Motors Ltd	Isuzu Motor Co.	Technology up graduation.

Source: Association of India Automobile manufactures, Tyre
Samacher Patrika Nov., 84, p. 3.

The above mentioned collaborations will certainly bring about a dynamic change in the road transport system of India. Because foreign tourists require the same type of comfortable cars and coaches for visiting tourist spots as they have in their own country. The government should provide all possible assistance and incentives to these new collaborations manufacturing these cars and Coaches so that

they may reduce the cost of production and supply cheap cars to India Tourism Development Corporation and other private operators at a reasonable price.

Tourist coaches or buses are ideal for group travel ranging from 8 to 30 persons per coach. These large or mini buses are used for sight seeing purposes. Special motor-coaches equipped with large glass panes, trained guides, public address system and other amenities are also needed and should be constructed especially for sight seeing in large cities.

Tourist cars are supposed to be ideal for those tourist who wish to travel in great comfort and maintain privacy by themselves or with their families. These cars are required by foreign tourists who may be doing both business and sight seeing.

With the operation of the Asian highway, the overland movement of visitors from middle east, south east Asian countries will be on the increase. New forms of accommodation and travel services are required by the motorists. In America road travel is the main form of inland transport which has enable onward development elsewhere. Motorways, drive-ins with quick meals, special cafeterias services and motels are the other forms of travel services which are taking the place of the old railway resorts. In Britain, there is a market development of holiday camps, Motels and Caravans, are taking over the hotel industry for lucrative middle

class family market. With the growing predominance of private car travel, international tourism is becoming more and more influenced by road development. Motorisation has grown to different degree according to the geographical and economic conditions of the different countries. Long distance travel will use the means offered by aviation and sea travel and railways (Auto train couchettes). The motor car will play an important role in the final access to the place of stay. The number of people using their cars to go on holiday will depend largely on the state of the touristic infrastructure, (i.e. the roads and motorways). It will emphasise the importance of accommodation connected with road travel i.e. motels, camping sites, apartments, will as tourist bungalows, holidays villages etc.

The first impression formed by the tourist is gained from the Airport facilities and the corresponding road transport available at ports. It is good that India has entered into collaboration with Japan. Our indigenous automobile industry will have improved foreign technology. The S.T.C. will have no botheration of releasing imported luxury cars as replacement of component and parts is very cumbersome. The Indian luxury cars would suit the foreign tourists.

As the number of luxury coaches in India is very small, the local buses run by private owners are put on the road. Sometimes their services are not easily available at different cities due to tax licensing and tax collection systems which

are very rigid from state to state.

In the beginning, tourist buses for sightseeing were introduced in important cities in India, but they were not popular with the tourist as they did not suit their required standard. It is, therefore, hoped that India Tourism Development Corporation would provide clean, comfortable and efficient road transport to the international visitors. A frequent inconvenience faced by tourist is the wastage of time at check post and state boundaries in connection with payment of octroi and toll tax etc. According to the Estimate Committee report of 1956, the tourist coaches run from the Scandinavian countries to Rome - 12 to 13 States without any check or hindrance, whereas vehicles can not run freely from one state to another, without encountering difficulties at state boundaries in India. This problem can be solved and transport efficiency will increase if operators of private tourists buses adopt mechanical tax books and obtain All India road permits, the transport efficiency will increase.

Regarding the future road travel, greater chances exist for tourist travelling long distances due to various package tours, being introduced. A prominent features of package tours is the travel by coach. These coaches have an underfloor diesel engine, excellent seating and visibility for passengers. They have perfect ventilation, heating, airconditioning and are fitted with bars, toilets and

adjustable seats. Another attractive feature of these coaches is the close relation ship between the passenger and the driver. The drivers are also trained guides and they contribute to the enjoyment of journey, in many ways.

The other aspect which needs attention of the India Tourism Development Corporation is that our national highway approach must be immediately improved. They should not only have all weather roads, but should have adequate facilities for car passengers. Today one can travel in hired car or coach throughout Europe with one permit. There is need for liberalising the issuance of all India permits for tourist vehicle. The import of tourist cars, coaches and airconditioned equipment should be placed on the same footing as the import of raw material and machines for other port industries.

Table No. 2.6

TOURIST ARRIVALS BY ROAD : 1972-1983

	1972	1978	1979	1980	1981	1982	1983
No. of Tourist	9768	66515	47347	40854	38289	39648	43869
(%) increase over previous year		10.4	-28.9	-13.7	- 6.3	3.6	10.6
Proportion to Total tourist arrivals(%)	2.8	8.9	6.2	5.1	4.5	4.6	5.0

Source: Tourist arrivals in India High light, issued by market Research Divison Department of Tourism, New Delhi,p.13

According to the above table tourist arrival by Road is showing a declining trend of 6.3 % from 1979 to 1981 but tourist arrival increased from 3.6 % in 1982 to 10.6 % in 1983. This shows a considerable improvement in both the year due to slight improvement in infrastructural facilities.

With growing predominance of car travel, the international tourism is becoming more and more influenced by road development. New forms of accomodation and travel services are required for the tourists. Motorways, holiday camps and motels are required for their convenience.

The road tourists have bright future in India. Tourist coaches, motor coaches, air coaches etc. are likely to become increasingly popular for longer journey. Road transport is particularly useful for shorter distances and for carrying light and valuable articles. Motor vehicles are the most flexible and popular form of road transport and are used where the roads are in fairly good condition and they render door to door services for the convenience of the tourist.

Table No. 2.7

DETAILS OF ROAD ACCIDENTS: 1979

Country	Years	No of Accident per 1000 vehicles	No. of Fatalities per 1000 vehicles
India	1979	346	55.0
Japan	1979	100	1.8
U.S.A.	1979	140	3.3
U.K.	1979	153	3.9
France	1979	94	4.6
Sweden	1979	46	2.7
West Germany	1979	137	4.9

Source: Road safety committee report submitted to Government of India by Ministry of Shipping and transport March 1983.

The above data compiled by the committee reveals that India's position in respect of accidents is quite serious and alarming as compared to other countries. Out of a total number of 346 vehicular accidents in 1979, 55 wer fatalities. Whereas France and Sweden had only 94 and 46 vehicle accidents respectively. To reach this position serious efforts are required to be made to reduce the rate of accidents in order to present a better picture of India's transport system.

The frequency of road accidents should be kept at a minimum level as far as possible otherwise these accidents may create a bad impact on tourist industry. Such accidents will tarnish the image of tourism in the eyes of home country

as well as outside world. Here the government should either adopt remedial measures to combat it with iron hand or private independent transport units should be opened at various strategic places for average middle class families.

Railway Transportation:

The role of railways in the tourist industry varies from Country to Country. As compared to previous years, railways in India play a rather smaller role in the tourist Industry. This is mainly due to the following reasons:

1. Lack of modern facilities in railway coaches.
2. Time delay in reservation and cancellation.
3. Uncertainty in the arrival and departure time etc.

These three major set backs emphasise the lack of efficiency in the Indian Railways. Though, rail travel is far more cheaper than other form of travel, yet there is an urgent need for the government to modernise and upgrade the present railway transport system. Being one of the largest public sector undertaking and the second longest network, it can help to boost the tourist industry to a large extent if other facilities like Intercontinental meals and a full fledged bar were made available on the trains. If there amenities are added railways can deliver the goods in spite of less infrastructural facilities.

From the above discussion it may safely be concluded that railway may be the means to improving the infrastructure for tourist industry in India. In this context the studies in the table no. 2.8 entitled 'ECONOMIC MOBILITY IN THE THIRD WORLD' To show how Indian railways cater to the needs of various tourists segments.

The table No. 2.8 clearly indicates that Indian railways have been trying to adapt themselves to the needs of modern tourism. Economic mobility of various units is an indication of the fact that in the railway budget of 1979-80 and its subsequent year 1980-81, the volume of traffic is increasing. Side by side the investment and return on investment is also increasing gradually. But much of the railway expenditure is swallowed up by rolling stock, wear and tear wastage of other inputs and spending on unwieldy infrastructure. The financial results as given in the above table shows that the revenue in 1979-80 was Rs. 2,337.84 crores which rose to Rs. 2,629.2 crores in 1980-81. The expenses were Rs. 2,142.38 in 1979-80 which rose to Rs. 2,536.46 in 1980-81. The saving was more or less nominal.

Regarding the service of the Indian Railway; there has been considerable improvement in respect of speed and overcoming other bottlenecks. With the introduction of Seasonal tickets, for individual and groups travel, there has been a marked increase in the number of tourists travelling by train. Other methods have been employed to

Table No. 2.8

ECONOMIC MOBILITY IN THE THIRD WORLD : 1979-8 , 1980-81

Particular	Unit	1979-80	1980-81
Plant & Equipment capital at charge	Rs.crores	5484.6	6094.4
Total investment	-do-	6728.1	7448.4
Route total length	KMS	60933	61240
Locomotives	NO	11073	10908
Passenger service vehicle	Nos	29871	30097
Other coaching vehicle	-do-	8295	8230
Wagons	-do-	405183	400946
Railway station	-do-	7017	7035
<u>Operation</u>			
Passenger - Train Kms	Million	289.8	294.6
Vehicle Kms	-do-	6215	6189
Freight - Train Kms	-do-	202.8	199.5
Wagons Kms	-do-	12194	12165
<u>Volume of traffic</u>			
Passenger Origenating	Million	3505	3612
Passenger Kms	-do-	198657	208558
Tones Origenating	-do-	2178	220
Tonne-Kms	-do-	155995	158474
<u>Employment & Wages</u>			
Regular Employees	Thousand	15504	1572.2
Wage bill of regular employee	Crores	154.8	1316.7
Average wages per regular emp	Rupees	7590	8435
<u>Financial Result</u>			
Revenues	Crores	2337.84	2624.2
Expenses	-do-	2142.38	2536.46
Mistransaction	-do-	31.83	39.93
(Before dividnt) Net Revenue	Rs. crores	227.29	127.49
Rate of return on Cap	precent	@.14	2.09
Deficit (3/4) surplus (+)	Rs. crores	(-) 66.24	(-) 197.87
Divident on capital	Rs. crores	293.53	325.36

Source: "Journal of Transport Management" Economic Mobility in the third world Dr. Roy p.23. issued by Association of State Road Transport under-taking.

attract the foreign tourists and to encourage them to travel by train while touring. Similarly mass transportation at a low cost has benefitted especially the students and pilgrims who form an integral part of the tourist industry.

The catering aspect of the Indian Railways has yet to make provision for foreign ^{tourist} taking into consideration their food habits. Although a few newly introduced train do cater to foreign nationals by way of providing inter-continental meals, This is a vital factor that affects foreign tourist travelling by rail.

For long distances, air traffic will grow faster than other modes of travel. Because of the economic condition Indian tourist, long distance travel by rail will continue to remain popular unless there is some very significant technological developments, i.e., reduction in cost of air traffic for common man.

The introduction of electric and diesel trains have resulted in the increase of traffic considerably. Specially the introduction of deluxe first class trains at a first class fare plus a supplement on routes, where no other form of transport can compete, would bring increased traffic for the railways¹ Railways have a great part to play in stimulating and creating traffic particularly on routes where they can offer the most efficient and cheapest form of transport.

1. Travel India Breifing, a newsletter of the department of tourism, Government of India March 1984, p.3.

STEPS TAKEN BY RAILWAYS TO PROMOTE TOURISM:

The Indian railways have adopted a number of measures to promote tourism both for foreign and domestic tourists.

Travel as you Like:

'The travel as you like' tickets introduced by the railways offer a special concession to overseas tourists. These tickets are valid for 21 days from the commencement of first journey. The special feature of the ticket is that the tourist can travel to any place into the country irrespective of the distance by paying in foreign exchange.

Concessional Return Tickets:

For both foreign and domestic travellers, the railways issues during the season, concessional return tickets for hill stations, at one and a half single journey fares. Overseas tourists who may stay in India for short time and who have not drawn up plans for extensive travel can also avail of a 10 % concession for travel by air conditioned class.²

Group Tourism:

Tourists, arriving in masses, may also avail of the facility of special trains with restaurant cars which are

2. Travel India briefing a newsletter of the department of tourism, Government of India March 1983, p. 5.

run according to desired schedules and with the desired class of accommodation on trains in which airconditioned class accommodation is normally provided. Special airconditioned coach can be arranged for parties of 12 to 14 tourist.

Homes on Wheel/Palace on Wheel;

The railways provide facilities for special tourists. There are airconditioned first and second class tourist cars with bath, kitchen sleeping and sitting accommodation. These may be called as 'Homes on Wheels'. Tourists cars can be kept in occupation by tourists till their itinerry is over. Recently, the railways, with the co-operation of Rajasthan Tourism Development Corporation have introduced" the palace on wheels".

Museum Express:

The Railways Transport Museum in Delhi offers the exquisite collection of vintage Saloon, locas, wagons and pictorial history of Indian Railways, 'It also offers visitors a fascinating ride on the Museum Express'.³

Preparation of Itineraries:

With a view to encouraging well planned and organised tourism by individuals or parties, the railways have drawn up itineraries for standard circular tours for which special

3. Travel India breifing, a news letter of the Department of the tourism, Government of India June, 1984, p.6.

tickets valid for three month are available at 3/4th the normal price or fare in all classes except airconditioned class. Tourist have the freedom to chalkout their tour programmes and obtain a circular ticket. The middle class traveller can avail of the airconditioned two tier sleeper coaches on the deluxe train's connecting Delhi with Calcutta, Bombay and Madras. The railways also offer sleeper coach accommodation in second class. In two tier coaches, sleeping accommodation is provided for a small additional charges.

Trains For Tourist Centres:

The famous hill resort of Darjeeling in the North-east is linked by an I.F.T. gauge train between Siliguri and Darjeeling. Another line between Kalka and Simla in north west is served by diesel passenger trains and diesel rail cars. The blue mountains in the south have also a railway marvel to offer the line between Mettupalaym and Ootacamund.

Two weekly superfast trains have been introduced, connecting Kerala with Gujarat in the west and Assam in the northeast. The Trivendrum-drum-Bongaigaon express is the longest running train from Trivendrum, the capital of Kerala. It travel 3468 Kilometres via Madras and Calcutta in 67 hours on the upward journey and 65 hours on the

downward journey.⁴ Northern railway has started the Magadh Express, between New Delhi, and Patna via Kanpur, Allahabad and Mugalsarai. This is a daily service and replaces thrice weekly Subhandra Express and twice weekly Vikramshila Express. These two fast trains have been introduced from Jan. 26, 1984. The Vivekanand Express runs between Jammu Tawi in the north, and Kanyakumari in the extreme south. Covering a distance of 3915 km. it is the longest route in the Indian Railways. Another train by the same name and starting on the same date, runs between New Bongaigaon and Kanyakumari. Two more Rajdhani Express trains will be introduced on Bombay-Delhi and Calcutta-Delhi routes. The Kanchenjunge Express between Sealdha and Jalpaiguri will be made a daily service.⁵ These trains will make the tourists journey comfortable.

Air Conditioned Tourist Cars:

The railway caters to the need of domestic tourist by introducing holiday special during the summer, the pilgrim special, the kisan special, student and youth special and various Bharat Darshan tours.

The following categories of railway users demand that facilities should also be provided:

4. Travel India Briefings. A News letter of the Department of Tourism Government, of India, Jan., 1984, p. 3.

5. Ibid., Feb., 1984, pp. 5 & 6.

- a) Buddhist pilgrim from abroad as well as from different part of the country journeying to a number of places of budhist interest on the north eastern railway.
- b) VIPS and mountaineering expeditions travelling to and from Nepal
- c) Upper Class passengers for journeys to various Hill Stations.
- d) Upper Class business tourists and high officials in private & public sectors.

Indira Rail Pass:

Travel as you like by any train you like from North to South and East to West. See the bewildering variety of flora and found that India presents. See its National parks and wild life sancturries, see its colourful people heralding religious festival and seasons with folk dances.

The railway helps you, your intinerary and gaurantees train reservation for making the stay in India, a colourful and memorable event.

Air Transport:

Air transport is becoming an increasingly important, and for many developing countries the predominant means of carrying tourists to their destination. With the introduction of new high capacity aircraft, this shift in favour of air travel may be expected to continue, and it will require the expansion and modernization of airport

terminal buildings, runways and other facilities in order to handle expeditiously both tourist and baggage. The facilities may be sufficient initially to cope with a rising influx of foreign visitors, especially if they concentrate in or near the capital or other airport city. However, the growth of tourism will eventually be frustrated if additional facilities are not provided - extensions to runways, terminal building and other units, the construction of airports in other regions of the country as tourism spreads to them.

Most visitors, especially those arriving in groups are not willing to make long transfers by road to their final destination or to switch to smaller and less comfortable aircraft providing the connecting air services within the country. Consequently, a large and growing volume of airborne tourism to regions distant from the Capital cannot be envisaged without the establishment of suitable international airports allowing for direct flights. As the experience of various touristically developed countries shows, regional airports have had to be built or expanded in order to cope with the growth of charter and other services and they have been essential for the further development of tourism to there regions into city.

Air travel is also known as the baby of all the means of transport. Majority of tourists prefer to travel by air, especially for long journeys. The principal method of

travelling abroad either for holiday purposes or on business is by air. In 1920, it took about 120 hours for the fastest steamers from London to New York. The jet plane today takes hardly 6 hours and the anglo-French SS Concord with speed of 1450 miles would reduce the London-New York time to 2 hours and 45 minutes and the USSST having a speed of 2000 MPH would further reduce the distance to 2 hours and 10 minutes. The USSR TUIUSST, has topped the speed of 1560 miles. Undoubtedly, aeroplanes play a significant role in the world tourism. The measure taken to increase capacity (Jambojets) and speed (supersonic) indicate that they will continue to increase their role in the future. For some years the Airline companies have sought to increase their traffic by using the most modern Aircraft and by a price policy taking into account the purpose of travel and its elasticity. The tourist market has been characterised till now a very priced elasticity of demand. IUOTO puts the coefficient of elasticity at about 1.5% to 2.0%. Therefore, reduction of 10 % air fares would lead to the growth of 17 to 22 % in traffic.

The International Air Transport Authority is the body that arranges international fares of member Air Lines. Improved Airlines services and promotion attract an ever increasing member of tourists. Air transport depends on tourist traffic to a great extent for their revenue and, therefore, makes sternous efforts in promoting tourism.

In the field of international tourism, Airports play an important role. Tourism is one of the largest single element in international trade for it contributes significantly to the national earnings. Developing Airlines services and offering attractive Air-fares have largely contributed to the success of world tourism. It is estimated that 85 % of foreign tourist arrive in India by Air. The relative decline in Air fares has made international tourism increasingly attractive and as a result tourists arrival in India have shown remarkable increase.

According to a survey conducted in 1983, 80 % of those who come to India by Air, prefer to travel within the country also by Air. To meet the demand of Air traffic the fleet of two national carrier-Indian Airlines, and Air India were expanded and equipped with modern Air Crafts.

Air transport in India has been nationalised from 1st August, 1953 by the Air corporation act, 1953 and two Air corporations have been established known as the Air India (International) and the Indian Airlines Corporation. Prior to 1953, the Air Transport services were conducted by various companies such as the Air India Ltd., The Bharat Airways Ltd., the Deccon Airways Ltd. etc. It was felt necessary in the public interest to nationalise Air Transport on the grounds that communication and transport both are essential for the defence and welfare of a country. The main function of these Corporations is to provide safe

efficient, adequate, economical and properly co-ordinated air transport services.

An Air passenger usually belongs to the elite class. He expects facilities commensurate with the expenses he incurs, on Air Travel. As he visits a number of Airports, he is in a position to compare facilities available at different Air ports. He expects an efficient and quick services both on flight as well as the airport and good accommodation and surface transport. There is a need for comfortable and convenient passenger handling, quick clearance facilities inside the terminal building and minimum of frontier formalities.

Airports must be well equipped with facilities to handle the passengers. India, because of her geographical situation in the International air route pattern, has an important position on the world aviation Map. The international Airports Authority of India is planning to meet the requirement of the growth of passenger traffic and the increase in the number of Aircrafts through the International Airports. The size of the country, the large distance that separate the main centres of its population, are some of the factors that emphasise the need for large and faster Aircrafts along with an expansion in the Airport facilities. A comprehensive study of requirements till 1990 has been made by the International Airport Authority to boost potential tourism.

While planning the Airports factors which help in speeding up the movement of passengers, it must be kept in mind in the arrival area that customs emmigration and health counters should be increased. The baggage handling areas should be provided with the most modern devices. The international facilities in the departure and arrival areas must be planned on a large scale to ensure speedy clearance of passengers and their baggage. The successive steps starting from disembarkment stage upto the stage of transporting tourists to the city in the shortest possible time have to be planned. The less time spent in the terminal, the better it is for the tourists and the passengers. The walking area should be spacious and well organised. The group handling equipment required by the aircrafts, better airobridge and step ladders, fuel tanker, bulk cargo loading vehicles, toilet and fresh water carats, passenger coaches, required greater attention.

Air transport has key role in promoting tourism in the sub-continent as it is a convenient source of entry for foreign tourist. The Air India and Indian Airlines have expanded their passenger capacities and have also equipped themselves with several other ancilliary facilities.

Thirty six international airlines operate services to India, and Air India our national carrier, operates to 44 countries. Starting with just one weekly service to

London in June, 1948, Air India now operates extensive scheduled services from Bombay, Calcutta, Delhi and Madras and latest from Trivendrum to Africa (Nairobi, Addis Ababa, Accra, Dar-es-Salaam, Lusaka, Lagos, Seychelles and Mauritius). To U.S.A. (New York) : to Europe (London, Paris, Amsterdam, Frankfurt, Geneva, Rome and Moscow) : to Middle East and Australia (Cairo, Doha, Abu Dhabi, Doha, Dubai, Bahrain, Kuwait, Aden, Muscat, Tehran, Baghdad, Jeddah, Ras al Khaymah, Dacca, Bangkok, Hongkong, Tokyo, Kuala Lumpur, Singapore, Melbourne, Perth and Sydney).

The number of tourists came to India by Air Transport in the last eleven years is given in the table 2.9 below:

Table No. 2.9

TOURIST ARRIVALS BY AIR : 1972-1983

No. of Air Tourist	1972	1978	1979	1980	1981	1982	1983
Came to India	302110	628441	669575	709279	767334	781257	809360
% increase over previous year		11.3	6.5	5.9	8.2	1.8	3.6
Proportion of tourist Arrival %		84.0	87.5	88.6	89.9	90.8	91.5

Source: Tourist Statistics 1983 Department of Tourism Ministry of Tourism and Civil Aviation Government of India, pp. 35.

According to the above table continuous increase in tourists arrival by Air Travel is noted year to year. Although arrival by Air recorded an increase of only 3.6 % in 1983 as against 1.8 % during the previous year. Its share went up to 91.5 % in 1983 from 90.8 % in 1982. This is a healthy sign which ensures a bright future for the tourist industries. But Concerted efforts shall be made to achieve considerable increase in their arrival through educative publicity of tourists resorts in India.

Sea Transport:

A corollary of the general rising share of air transport in total arrival has been the decline in the share of arrivals by sea. On the other hand, the popularity of sea cruises and inter island travel, particularly in the Mediterranean and the Caribbean, is bringing constantly larger numbers of excursionists and other visitors, who spend time in the port vicinity or on inland excursions, returning to the ship for overnight accommodation.

In contrast to airports, maritime ports are not usually predominantly designed for passenger traffic, and the cruise and other passenger ships use the dock and harbour facilities that are mainly intended for merchandise and cargo. However, as has been the experience in the Caribbean, for example, deep harbours and special passenger terminals may be needed for the larger ocean - going passenger vessels, or simpler

berthing facilities may be required in certain places specifically for smaller passenger vessels. Special berth and passenger reception facilities may also be necessary in connection with car ferry services.

Transport by water makes a significant contribution to the development of travel on land and by sea. Scheduled line transport formerly, much used for inter continental travel, has almost vanished at present. The expansion of international tourism, however, led to an increasing use of ferry boats by tourist on short sea crossing. Sea tourism on the whole does not seem to have a promising future. Previously, ocean liner were a common mode of travel for holiday seekers specially in the mediterranean, caribbean and South Asian seas.

Arrival of tourists by sea from overseas is still declining. It is mainly due to the sea travel being more time consuming than other from the transport.

The table below illustrates the above statement: .

Table No. 2.10

TOURIST ARRIVALS BY SEA : 1972-1983

Sea	1972	1978	1979	1980	1981	1982	1983
No. of Tourist	31072	52939	47859	50017	47525	39273	31499
% increase over previous year	24.9	24.9	-9.6	4.5	-5.0	-17.4	-19.8
Total Tourist Arrival %	9.1	7.1	6.3	6.3	5.6	4.6	3.5

Source: Tourists statistics 1983, "Department of Tourism" Ministry of Tourism and Civil Aviation "Government of India", p. 35.

According to the above table arrival of tourist by sea shows a declining trend from 1980. A drop in 19.8 % in 1983 as against 17.4 % only in 1982 is worth seen. Its share came down from 4.6 % in 1982 to 3.5 % in 1983.

Sea Transport has great future if some adjustments in its improvement are made within the sea coasts. New stations should be established at sea coasts and steamers should play in between, just as steamers take passengers and tourist from Bombay to Goa. But its fare is high as compared to railway which should of course be curtailed. They are simply the major international carriers on long routes. They have managed to offer cheaper transport at minimum rates as compared to Airlines. Cruising may represent some continuing interest in the sea. The tourists, sea traffic will have in the future its new orientation of cruise traffic. The growth of this traffic will depend on the qualities of the services and the pricing policy adopted by the sea Transport Authorities.

ACCOMMODATION INFRASTRUCTURE UTILISED BY THE TOURISTS:

In order to formulate the future strategies, it is essential to recognise the preferences by the tourists for the different types of accommodation. Because in any promotional strategy it is necessary to tap those tourists who prefer the accommodation available in the host country. The recent findings about the tourists accommodation facilities

are as follows:

The business segment prefers to stay in the 5-Star and 4-Star hotels. A major proportion of the leisure tourist segment also likes A category of accommodation. About 80 per-cent of the sample indicates their choice for A category.

The study also reveals that the tourists from business and leisure segments also make their choice for 3-star and 2-Star accommodation. Along with these segments like executives and other professionals also form this category at 48.50 %. However the C category accommodation is the choice of students segment or to the others, provided if they are not getting any accommodation in A or B categories. The following table presents the detailed observation:

Table No. 2.11

MODE OF ACCOMMODATION PREFERRED BY THE TOURISTS

Category of Accommodation	No. of responses	Proportion total (%)	Rating of the offered accommodation			
			E	G	F	U
A	112	80	10%	40%	35%	15%
B	68	48.5	12.2%	52.8%	29.5%	3.5%
C	15	10.7	26%	42.7%	31.3%	

E = Excellent, G = Good, F = Fair, U = Unsatisfactory.

It is now evident from the above discussion that accommodation is an essential part of the tourist industry. It aids to improve infrastructure of tourist industry to a great

(i) HOTEL ACCOMMODATION:

Hotels are essentially the vital part of the tourist industry. Without an adequate development of infrastructure and hotel resources, all the national scenery, all the climatic virtues and all the sporting and recreational facilities will not suffice to sustain a good volume of tourist trade. It also has its own sociological aspects. Conard Hilton, an American Hotelier has stressed the satisfaction they gained in the knowledge that hotel development has made it easier for people to know each other in different countries. It promotes international understanding.

Our analysis here is limited to the information that is available about the registered hotels with the Department of Tourism. This includes both classified hotels - as signified by the star system and the unclassified ones. Besides these, there exists a large number of unapproved hotels in the country and the lack of information about these leave a lacunae in our study of the hotel sector.

Over the years, the hotel industry has been growing rapidly. The number of hotels have more than doubled, during the years 1971-1982 from 152 in 1971 to 405 in 1982.

Table No. 2.12

GROWTH PATTERN OF HOTEL INDUSTRY : 1971-1982

Year	Number of approved hotels	Percentage increase over the previous year	Number of rooms available	Percentage increase over the previous year
1971	152	8.7	9,091	
1972	165	8.6	10,195	12.1
1973	173	7.9	11,418	12.0
1974	203	14.0	13,022	14.0
1975	231	13.8	14,814	13.8
1976	252	9.1	15,841	6.9
1977	281	11.5	17,379	9.7
1978	307	9.3	18,616	7.1
1979	313	3.6	19,251	3.4
1981	355	11.6	22,080	14.7
March 82	405	14.1	29,332	32.8

Source: Report on the hotel and Restaurant Industry 66-A 1971-1982 by India Tourism Development Corporation, New Delhi.

The above table shows that the percentage increase in the number of approved hotels over the previous year was 8.7 in 1971, 8.6 in 1972, and 7.9 in 1973. The year 1974 proved a turning point, when the percentage increase, was as high as 14 percent. This trend was sustained in 1975 with an increase of 13.8 per cent. In 1976, there was a slight fall to 9.1 per cent in the number of hotels, but the growth rate picked up again to 11.5 per cent in 1977. The year 1979 saw the lowest increase of 3.6 per cent during the decade. Last year, the number of approved hotels had increased to 405, registering a rise of 14.1 per cent over the available date for 1981. Consequently, the number of available rooms have

increased three fold from 9,091 in 1971 to 29,332 in 1982. The increase in available rooms have followed the same trend as the number of hotel rooms from year to year.

According to government sources, applications for star classification from 171 hotels are still availing clearance with a room capacity of 14,003. Thus, adding these to the existing room capacity of 29,332, gives a total room availability of 43,355 of all star categories in 1983. Besides the Ministry of Tourism and Civil Aviation have approved another 205 hotel projects which are in various stages of construction with a room capacity of 16,765. As a result, it is expected that by 1987, we will have in the country 60,100 rooms of various star categories. This, then will provide the necessary infrastructure to meet the annual target of 2.5 million foreign tourist traffic by 1990.

In the table No. 2.13 citywise breakup has been made which shows that Delhi had the largest number of 5-Star hotels, numbering 7 and 4-Star hotels number 5. In the 3-Star category, Bombay and Madras had the highest number of hotels totalling 7, while Delhi again led with the highest number of 2-Star hotels numbering 9. In the case of 1-Star hotels, Madras had the highest share of 5. Till 1979 there were only hotels in a 5-Star category. By 1981, they increased to 21 mainly because of the new hotels that were built in Delhi in anticipation of ASIAD and other international conventions. It is interesting to note that 17 of

Table No. 2.13

DISTRIBUTION OF APPROVED HOTELS BY CATEGORY AND LOCATION,1980-81

Name of the City	5-Star		4-Star		3-Star		2-Star		1-Star		Unclasi- fied				Total	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Bombay	6	1681	4	304	7	388	5	291	2	51	21	1339	45	4054		
Calcutta	3	484	-	-	1	50	1	20	2	48	4	533	11	1135		
Delhi	7	2225	5	447	5	184	9	674	3	60	4	285	53	3875		
Madras	1	238	2	271	7	619	4	148	5	216	8	540	27	2032		
Total	21	5071	15	1215	52	2701	68	2855	33	1091	166	9147	355	22080		

Source: Data in this table and the following tables are taken from A Report on the Hotel and Restaurant Industry: 1971-1980. With a forecast of potential : 1981-1990. The report has been prepared by the Indian Institute of Public Opinion (HPO) Data for 1982 added.

these hotels are in metropolitan cities, and only 4 in other towns. These hotels cater to international standards, and have rates comparable with similar hotels abroad.

Table No. 2.14

OCCUPANCY IN APPROVED HOTELS : 1981-82

Category	No. of Hotels	No. of Rooms	Average occupancy (Per cent)
Five Star	21	5071	86.9
Four Star	15	1215	80.2
Three Star	52	2701	72.9
Two Star	68	2855	69.9
One Star	33	1091	72.7
Classification awaited	166	9147	76.8
Total	355	22080	75.9

Source: Report on the hotel and Restaurant Industry 66-A, 1971-1980 submitted by India Tourism Development Corporation, New Delhi.

It is evident from the above table that in 1981 India had the largest number of 2-Star hotels, totalling 68. This was followed by 3-Star numbering 52, 1-Star numbering 33, 5-Star numbering 21 and lastly 4-Star hotels totalling 15. This is quite contrary to the widely held opinion that we have more five and four star hotels and less of middle class and low budget hotels. Moreover the 5-Star categories of hotels are required to provide tourists, with international standards of facilities. They are necessary to compete

successfully in the international market for tourists.

The occupancy of approved hotels in 1981 was on an average 70 per cent. This can be considered reasonable by international standards. Of the different star categories, 5-Star hotels had the highest average occupancy ratio of 86.9 per cent. The occupancy ratio in 4-Star hotels had similar occupancy ratios of 72.9 and 72.7 per cent respectively. 2-Star hotels by far had the lowest occupancy average of 69.9 per cent. The occupancy ratio of unclassified hotels was 76.8 per cent. The occupancy rates are affected by seasonal tourist arrivals which increase during the October-March months of the year. Rates are often lowered in the off season to attract tourists and to break even financially.

Today we have a number of hotel chains operating successfully in India. Some of the important ones being the Oberois, Taj Group ITC (Welcome Group) and India Tourism Development Corporation. Of these the public sector owned India Tourism Development Corporation the largest number of hotels. They do not have any hotel chains like Oberoi's and Taj which have ventured abroad particularly in the Middle East and Sri Lanka. We have also made great strides in establishing international links with various well known hotel chains. Initially it was limited to Sheraton and Intercontinental. The foreign links, were with Hyatt. These collaborations help open up international tourist circuits

for the Indian hotel chains. They also provide world-wide marketing network and international expertise. One such agreement has been entered into by the Welcom group of hotels with Sheraton. Association with international chains also helps in getting business from the brand conscious tourists.

The hotel industry is inextricably linked with tourism. Both heavily complement each other. Tourism is one of our major foreign exchange earner, ranking third in terms of earnings. Of these, the hotels and restaurants, contribute to 50 per cent. This is, perhaps, the major role played by the hotel industry today, in earning valuable foreign exchange. Stemming from this, the industry has been coining its need for being considered as an export oriented industry, and to be given priorities and concessions. While the state of Orissa has gone further in this direction, by according it the status of priority industry, others are still to follow suit.

In trying to adhere to international standards, running of hotels has not longer remained an amateur affairs. It has become highly professional. In any standard hotel, an executive chef supervises the food preparations. He has to be an efficient cook, as well as a boss of several chiefs including, salad workers, fry cooks, vegetable cooks, bakers, butchers, grade manager, pantry and supervisors. In fact, finance and trained manpower carry equal priorities when a new hotel is to be constructed.

As the hotel industry has been expanding at a steady pace it has generated a tremendous demand for trained hotel staff.

(ii) SUPPLEMENTARY ACCOMMODATION:

Supplementary accommodations are simply accommodations without hotel services. All the establishments under this heading are designed to offer accommodation in the broad sense of the word, namely, the possibility of staying over night and eating in return for cash payment. These services vary considerably from hotel services. There are a series of other installations able to offer tourist lodging, food and corresponding services. This is popularly known as supplementary accommodation. This type of accommodation has the following advantages:

- (a) Reasonable prices.
- (b) More Freedom, with regard to the organisation of the day and dress.
- (c) A close approach to the natural environment
- (D) Social contact and amusements.

This form of accommodation consists of tourists bungalows, (built by the Department of tourism and State Government), Travellers lodges that are built by (2 India Tourism Development Corporation) way, side facilities camping sites, Circuit Houses, Inspection bungalows PWD Rest Houses, Railway Retiring Room and youth Hostels.

Thus, all forms of providing furnished accommodation (rented rooms and the apartments), youth Hostels, Recreational Centres for children, Holiday Centres, Camping sites, Mountain huts and shelter, Sanatoria and Convalescent Homes and similar establishments are collectively described as supplementary accommodation.

In India, supplementary accommodation was in the form of 'Sarai' 'Dharamshalas' or 'Inns' etc. which are still there. To the normal development of accommodation, within the country, India added new dimensions by including the development of supplementary accommodation in Five Year Plans. Realising the positive growth in youth tourism, both International and domestic, youth hostels were built in the major tourist centres in India.

More than 60 Travel circuits have been planned by the Department of Tourism to encourage promotion of tourism throughout India. The big chains in their Zeal to maximise their share of business have tried to locate their accommodation facilities at strategic places. By adopting this method, these chains can provide adequate facilities in a more convenient form to the tourist. It also eliminates the possibility of accommodating the tourists in rival hotels.⁶

Most of the supplementary accommodation can cater to both national and International tourist traffic. Facilities are also being provided in some of the major wild life sanctuaries. Accommodation as well as transport facilities

6. Source: The Economic Times, 31st March, 1983, p. 2.

are being provided to enable visitors to move about conveniently within the sanctuary. It is estimated that road tourism constitutes 80 % of tourism to India. Schemes for developing camping sites on the national highway, Asian high way from Europe to Calcutta are now being implemented. The direct bus service between London and Bombay is bringing large number of youth tourists.

ENTERTAINMENT:

After a full days' sight seeing tourists require relaxation and entertainment in the evening. In order to fill the gap, it is desirable to have a cultural programme at various tourists centres which would not only provide entertainment but would also enable the tourists to get an idea of India's ancient cultural heritage specially typical classical and folk dances and music of India. This would encourage our artists and provide them employment.

ESTABLISHMENT OF A RESEARCH CENTRE:

Since tourism is a commodity sold in highly competitive foreign markets, a good 'turnover' can never be a chance or sheer accident. In countries abroad, research is the main spring-board for marketing. Practically every region has a well equipped tourism research cell which prepared inventory of tourist attractions, makes exhaustive enquiries into the holidays habits of the visitors, takes up surveys of market prospects and develops a tourist profile of the region.

Today Hwali; and California tourism industries are thriving on their home market, particularly on visitors. Most of the countries have come up with programmed tourist education and tourism as a subject has been introduced on the diploma and degree courses of the universities. Post graduate and research facilities are also provided by a few countries. Turin (Italy) has an 'International Centre for Advanced Tourist Researches' (CIEST). Tourist education is a State responsibility in Greece and the government has established a tourist training school (S.T.E.), whose operations are defined by law. The Spanish Institute of Tourist Studies grants fellowship to deserving candidates. Should our country be anxious for promoting tourism, then she must encourage incompetitive market researches into present and future tourism demand. It would be advisable that a tourist research Centre be housed in the Universities of India where, besides the facilities of advanced research-work, a diploma-course on tourism may be taken up initially.

A few centres in cosmopolitan cities like Bombay Calcutta, Delhi, Madras etc. providing orientation courses to foreign tourists should be made available. This would enable the foreign tourist to know what to expect where and why he travels.

COMMUNICATION SYSTEM FOR DOMESTIC AND INTERNATIONAL TOURISM:

Communication has its vital impact on efficient infrastructure. A Good communication system helps to contribute in the growth of tourist industry. It creates a new system for gathering and offering travel information in a nation-wide network and compiling every kind of travel information such as tourist attractions, accommodations, and transport facilities etc. in co-operation with local Government local tourist associations and individuals. The basic travel information thus collected was published in tourist guide and informational journals. The government should also modernize the tourist information centre with wide variety of information on travel in India. The information regarding Indian culture, Industry manner and customers should be available free of charge to all visitors from abroad. One of the biggest problem for foreign visitors coming to India is the language barrier. Tourists department should take the initiative to ease the language problem encountered by foreign visitors during their stay in India. In the developed countries tourist offices are equipped with the telephone tourist service". They offer tape recorded travel informations, held in and around the Metropolis.

MEASURING EFFECTIVENESS OF INFORMATION DISSEMINATORS BY THEIR INFLUENCE ON TOURISTS.

It is observed that the tourist's own experiences, impressions and judgements are the most effective sources

Table No. 2.15

DISTRIBUTION AND WEIGHTAGE RANKING BY INFLUENCE OF INFORMATION STIMULIES

Information Disseminators	No. of Responses	Influence rating				W.R.
		E	G	F	U	
Own experiences	68	40	18	8	2	12.73
Impression judgements		(28.57)	(12.85)	(5.71)	(1.42)	12.73
Friends	47	31	10	6	-	8.37
Relatives	(22.14)	(22.14)	(7.14)	(4.20)	-	
<u>Indian Tourist Office:</u>						
- Advertisements	15	5	4	2	4	2.67
		(3.57)	(2.85)	(1.42)	(2.85)	
- Lectures conferences	13	7	-	3	3	2.32
		(5.00)		(2.14)	(2.14)	
- Travel Brochures	10	3	5	-	2	1.78
Travel Literature		(2.17)	(3.57)	-	(1.42)	
- Travel agents	3	-	2	-	1	.32
tour operations			(1.42)	-	(.71)	
- Capter prepaid Tour announcements	-	-	-	-	-	-
- New papers magazine advertisements	19	11	7	-	1	3.39
		(7.85)	(5.00)	-	(0.71)	
T.V. Programmes	5	-	-	3	2	0.89
				(2.14)	(1.42)	
Others	25	14	6	5	-	4.46
		(10.00)	(04.28)	(3.57)		

Note: The figures in the parenthesis are the percentages to the total respondents.
 In this exhibit, E= Excellent, G = Good, F = Fair, U = Unsatisfactory and
 W.R.= weightage rating.

of information with a 12.73 weightage rank. The communication and the role of opinion leaders is observed at 8.37 weightage rank. However the role of Indian Tourist Office ranked with overall 8.87 weightage. But its activities are mainly divided into advertising and public relations which have their separate influence. The following table represents the overall influence rating of information disseminators. It gives an information as to how tourists feel in respect of the facilities provided to them. Their opinion has been recorded under influence rating as given in the table No. 2.15.

Production of tourist literature and the promotion of tourism are the continuous processes and are essential for maintaining a steady growth in India tourism. Target of 2.5 million tourists has been fixed by 1990. For this growth in tourist arrivals the efforts to make available sufficient quantity of tourist literature will have to be accelerated. Accordingly tourism being a highly competitive activity, it would have to ensure that the literature production overseas is of the highest quality which can compete with that of other countries.

SPORTING TOURISM:

India has enough potential for tourist flow. We can get good benefits from the sporting tourism, only if it is subjected to wise planning and guidance. This tourism is motivated by the wish to practice sports. Water and winter

sports, hunting and fishing are in good demand. In this case there are big sports meeting, like the Asian games in New Delhi. That was an outstanding success both in the number of countries and athletes participating, in media coverage and in the organisation which worked with clock-work precision. India has projected her good image so far as cricket and Hockey games are concerned. India has been a world champion in these games. It would be good for Indian Tourist Industry if such games are played in Indian soil in almost every two or three years just as International Industrial Fair are held in Pragati Maidan. When these games would be played in various parts of the country it would open avenues for tourists to visit tourists places also. The International Badminton Tournament was held in September 1985 at Indira Gandhi Stadium, New Delhi and Football matches were also played at Dr. Ambedkar Stadium, New Delhi, Teams from all over the world participated in the tournament and were housed in 5-Star hotels arranged by India Tourism Development Corporation.

HEALTH AND MEDICAL FACILITIES:

Hygiene and sanitation is the basic need of infrastructural development for the tourist industry. This is so because foreign tourists are very careful about their health. They visit places for getting entertainment and not for catching diseases. Hence medical facilities should be made available to every tourists quite close to tourist centre.

However the following suggestions are worth noting for adopting hygienic and sanitation measures:

- (a) Tourist spot should be kept neat and clean and street hawkers should not be allowed to mix with tourists. Waste paper baskets should be provided to put all rubbish things in it.
- (b) Medical check up of the tourist is very essential at every tourist centre. This facility is to be provided by the state government.
- (c) Proper check of the meal which the tourists take in the hotel is also necessary.
- (d) Boiled filtered water be provided to these tourists in hotels as well as between roads and tourist spots.
- (e) The state Government should arrange for one dispensary attached to each tourist spot.
- (f) Beggars should be kept away from tourists.
- (g) The supplementary accommodation should be thoroughly checked and see that it provides all the necessary hygienic and sanitary conditions.

However it is generally seen that hardly 68.5% tourists responded to health and medical factor. Out of which the majority rate is excellent forming 34.8 %. The second place for 'Good' has a very little variance at 31.7 %.

Climate:

Climate is the most important factor which influences the infrastructure of a tourists resort. The domestic tourists may adopt themselves in any Indian climate but foreign tourists would take time to adapt themselves by going from south to north and especially hilly places. This requires a proper medical examination and prescription of medicine

and Vaccination. The study reveals that about 83 % responses favoured it. But the tourists hesitation in rating the factor reflects that tourist perhaps are not aware of the other pleasant climatic conditions in the country.

Where climatic conditions are not taken care of, the tourists are victim to many diseases. It is, therefore, suggested that an environmental study of the climate of various regions be made for the safety of the tourists. Each tourist should be provided with a seasonal temperature chart indicating maximum and minimum temperature in different parts of the year. The hottest and coldest months and rainy season should be spotted with different colours on the chart. The India Tourism Development Corporation should take up the responsibility and see that it is implemented by all the State Government.

INDIGENOUS HANDICRAFTS ART FORMAL ANCILLIARY INDUSTRIES:

In order to make the infrastructure more meaningful and attractive, every tourist accommodation should have a show-room cum sale centre to display indigenous handicraft. The tourist would naturally purchase these decoration pieces and carry them home.

Our handicrafts and other cottage goods have caught the imagination of tourist who, find them wonderfully refreshing and divinely simple, something beyond the achievement of the best machining in the west, and hence the aesthetic craving of a human heart.

A fully developed and well organised shopping centre at every tourist spot is very essential. The exhibits of these shopping centre shall display the culture of that place. Moreover industrial fares and cultural programmes should also be organised from time to time in order to give wider publicity to the tourist resort and the exhibits.

India has a rich potential in her hand-made goods, more fascinating and colourful than that found in the neighbouring rival countries. A foreigner, purchasing these souveneir; not only buys an artistic creation of India, but at the same time carries with him a symbol of our cultural heritage.

COST OF INVESTMENT IN INFRASTRUCTURE FOR TOURISM

1. Attribution of Costs and Benefits:

It has been seen that a broad range of infrastructure services are needed to support tourism. In so far as investment in these services are concerned it will not take place or will be smaller or the resources might be used productively for other purposes, it is necessary to consider the return on the investment, i.e., the benefits according to the economy from the resultant increase in tourism compared with the cost of the investment. Such a comparison is meaningful in the case of general infrastructure, because the

relationship between capital and current costs to the foreign exchange would emerge and other benefits that are expected from the investment.

However, in considering the return on these investments, and hence their economic justification, a number of questions arise. First, certain benefits which should be taken into account are not easily measurable. For example it is difficult to say what point failure to relieve road congestion deters visitors. Second, while without certain investments in infrastructure a country may forego a rise in income from tourism, these are not the only investments necessary; accommodation and other amenities are also part of the total investments cost of an increase in national product due to tourism. Third, as mentioned above, some of the requisite investment in the infrastructure is not intended for tourism alone, and in order to arrive at a sound assesment either an appropriate deduction has to be made from the total cost of the investment or else benefits not associated with tourism have to be included in the total benefit arising from the investment.

However, an over-all cost/benefit approach can be more meaningful in the cost of a tourism programme for a specific region or area where the infrastructure investment can be related more directly to the increase in tourism that the programme is designed to achieve.

2. The Maximization of Returns:

In view of the substantial outlays that may be involved, it is particularly important that the investment should bring in the maximum possible return. Taking such investment as a whole there are three principal ways in which this objective can be achieved:

- (a) By concentration of investment in selected regions or localities in which tourism is encouraged, producing a reduction in the unit cost of the services provided;
- (b) Due attention to the phasing of investments, especially in the case of large investments in airports, roads and the like;
- (c) By the spreading of the benefits so far as possible to other users.

In the case of road construction related to tourism, and in view of the heavy expenditure involved, it is important that the timing of the investment be carefully examined and that the possible cost of the economy of postponing such works in favour of less expensive projects be realistically evaluated. Whenever major works are postponed various palliative measures can be taken to satisfy the most pressing needs by widening roads in various places and by other measures to improve traffic flows. It is true that, like other infrastructure in tourist regions, new or improved roads may attract investment in economic activities other than those associated with tourism, but this is not an additional argument, since secondary benefits will usually follow from investment in roads wherever it is made.

Infrastructure cost can often be shared with other users, including private households, and the unit cost of the services provided possibly reduced if the prospective demands of other sectors are also taken into account. This is the case for certain tourist roads, which will not only help tourism but also contribute to the advancement of agriculture throughout the surrounding region. But sometimes the full cost of infrastructure investment has to be absorbed almost entirely by the tourist sector alone. There is then a greater risk that the cost will be prohibitive. An improvement in the telephone system in tourist resorts, for example, will no doubt constitute a real benefit in terms of the greater efficiency of booking and other services performed by hotels and travel agents but some inconvenience on this score may not materially affect a country's volume of tourism - or at any rate there would be greater gains to the economy if the same resources were devoted to improving the system in industrial and commercial areas.

Similar considerations apply in the case of road projects for tourism, in particular the construction or improvement of smaller roads leading to sites and localities of special tourist interest. The latter type of road can involve heavy construction costs and will be frequented almost entirely by tourists; even at peak periods, a high degree of capacity utilization will not be assured. In developing countries which are heavily dependent on tourism by

private car, it is possible that their costs may be justified by the volume of tourist traffic the roads will carry and the additional income generated.

FINANCING AND EXECUTION OF INFRASTRUCTURE
WORKS FOR TOURISM:

By and large, tourists make demands on the same infrastructure services as other consumers. Hence the provision of an infrastructure for tourism cannot be divorced from the wider context of the provision and financing of infrastructure services for the economy as a whole.

In most countries, both developing and developed, the public sector tends to have the principal, or exclusive, responsibility for the provision of an infrastructure either as a matter of policy or because it is a question of "public goods", which cannot be traded in the market, since they are provided for the general benefit and individuals who are unwilling or unable to pay the cost of the service cannot contract out. Hence, their provision is not open to calculations of private cost and return which might interest private capital, and the services must be paid for through general taxation. Much of the infrastructure related to tourism is of this nature, in particular sewage and other public health services.

Certain kinds of infrastructure for tourism may nevertheless be financed by private investors, but such cases are obviously limited to those where the benefits of the

investment are enjoyed not by the tourist sector at large but exclusively by the establishments making it, and to those where a charge can be levied for the use of the services. Thus, hotels will be prepared, or can be made, to pay for their private access roads and for connections to the main distribution system for water and electricity, and they will provide, for example, their own electricity transformers or water pump if necessary.

Irrespective of whether the services are assured by the private or by the public sector, and assuming both can provide them with equal efficiency, the cost is the same in terms of resources used. However, private investors look only to the financial return on a revenue-producing project, whereas the public sector can take that broader view of social costs and benefits which is desirable in determining priorities in, and the location and turning, of infrastructure investments.

Supplementing domestic resources, Government may have ~~resources~~ from international lending agencies, such as the world Bank Group and the regional development banks and also resources made available under bilateral arrangements, including grants. Such projects may be undertaken largely on account of tourism, as is sometimes the case, for example, with airports or roads in tourists regions, or they may be more general ones, like water piping or sewage projects, of which the tourist sector is a principal beneficiary.

CONCLUSION

This chapter has focussed attention on the economic aspect of tourist infrastructure. It has been stated that an economically sound and well-built infrastructure has its vital impact on the all round development of tourist industry. The economic and social change brought about by India's five year plans in the country have little relevance with tourist infrastructure. It is depressing to note that even after 40 years of planning in the country the tourist infrastructure is far from satisfactory. One has reason to believe that in India where regional imbalance are in the grip of poverty, the backward areas are becoming more and more backward and poverty stricken as they are devoid of industrial activity due to undeveloped nature of infrastructure.

Hence the strengthening of a country's economic infrastructure with due regard to accommodation, transport and communication, the supply of water, electric power, the provision of health, education and public services, is frequently a priority task in development planning. The infrastructure provides the necessary base indispensable to the progress of tourist industry. The arrival of foreign visitors presupposes the existence of Airports, Seaports and other terminal facilities leading to roads. Their mobility inside the country depends on good roads and good transport links such as railways, buses or domestic air services. But congestion at

airports and inadequacies of internal air and surface transportation are the principal weakness. In brief, tourism has not fully developed as a product and with the needs of the market as a whole. To achieve this foreign links with 5-Star hotels is essential just to have proper insight into the working of these hotels. Not only this tourism as a subject be introduced as diploma and degree courses of the universities on the pattern of Turin (Italy) which has an "International Centre for Advanced Tourist Researches". Tourist education is a state responsibility in Greece and the government has established a tourist training school (S.T.E.) whose operations are defined by law. The Spanish Institute of Tourist Studies grants fellowship to deserving candidates. Hence it would be advisable that a Tourist Research Centre be opened in the universities of India to impart training and education in tourism. There is, of course, a strong case for an organised study to see what is required to mobilise this demand in commercial activity.

Tourist infrastructure, therefore, must be brought within reach of a wider segment of people through effectiveness and use of better technology. The customer will always demand value of money whatever the tourist spends, he must have full enjoyment in exchange. We tend to get carried away by the foreign exchange factor and ignore the potentials of economic significance of tourist infrastructure. Since the product expectations of domestic market is different, it is likely that a better technology would

provide the answer. There is considerable domestic and holiday travel business awaiting tourist industry. The economic needs of such travellers must be searched out and economic incentives be given to all institutions that wish to respond to the fulfilment of these needs.

The economic aspect of tourist infrastructure has been discussed under 'Cost of Investment in infrastructure for tourism' and 'Financing and execution of infrastructure works for tourism'. How does the cost of investment attribute to economic benefits ? How does investment in tourism bring about maximisation of return ? The analytical study of these questions has been made in the present chapter and meaningful answers have been derived therefrom. Tourist make demands on the same infrastructure services as other consumers. Hence the provision of an infrastructure for tourism can not be divorced from the provision and financing of infrastructure services for the economy as a whole.

In most countries, both developing and developed, the public sector tends to have the principal, or exclusive responsibility for the provision of an infrastructure either as a matter of policy or because it is a question of "public goods", which cannot be traded in the market, since they are provided for the general benefits and individuals who are unwilling or unable to pay the cost of the service cannot contract out. Hence, their provision is not open to calculations of private cost and return which might interest

private capital, and services must be paid for through general taxation. Much of the infrastructure related to tourism is of this nature in particular sewage and other public health services.

Certain kinds of infrastructure for tourism may nevertheless be financed by private investors, but such cases are obviously limited to those when the benefits of the investment are enjoyed not by the tourist sector at large but exclusively by the establishments making it, and to those where a charge can be levied for the use of the services. Thus, hotels will be prepared, or can be made, to pay for their private access roads and for connections to the main distribution system for water and electricity and they will provide, for instance, their own electricity transformers or water pumps if necessary.

To sum up if the government succeeds (as in the case in many states) in bringing about an all round economic development in tourist infrastructure, let us foresee what main benefits the India Tourism Development Corporation would desire from infrastructure investment. It is in this context that the author has made a detailed in the next chapter III entitled "IMPACT OF TOURIST INDUSTRY ON NATIONAL ECONOMY". The study would of course reveal the fact whether our national economy arising out of tourism was on the move towards profitability and if so to what extent.

Chapter III

"IMPACT OF TOURIST INDUSTRY ON NATIONAL ECONOMY."

In the previous chapter an all round development in the tourist infrastructure has been examined. This aspect has been discussed under 'Cost of investment in infrastructure for tourism' and 'Financing and execution of infrastructure works for tourism. But to make it more elaborate and meaningful certain questions have been posed. How does the cost of investment attribute to economic benefits ? How does investment bring about maximization of returns ? An analytical study of these questions has been made to draw answers for the present chapter entitled "Impact of Tourist Industry on National Economy". The study would reveal whether our national economy arising out of tourist industry is moving towards profitability or otherwise and if so to what extent.

In many developing countries, tourism has come to be recognised not only as an important source of foreign exchange but as an industry providing employment opportunities and generating economic growth.

However, what many developing countries have not fully realised is the fact that at least some components of the tourism industry require heavy capital investment

and that in some cases the economic benefits realised from the investment in tourism industry may not adequately justify the investment. In this context, it becomes essential to undertake a cost benefit analysis of investment in tourism in order to facilitate a national decision - making on investment projects. Therefore an attempt has also been made in this study to measure the impact of tourism investment on Indian economy.

The development of tourism can bring a number of economic and social benefits to a country. Besides being a source of foreign exchange, expansion of tourist trade stimulates income and contributes to the exchequer. Thus, tourism investment is considered a notable instrument of economic development. The object of this Chapter is to make an overall assessment of tourism investment on removing the backwardness from a particular region of the country, while perhaps the most frequently discussed of the possible benefits of tourism, is not the only contribution tourism may make to the economy. Increased expenditure by visitors generates a demand for increased output, and thereby employment and income, in different sectors, and adds to the tax and other revenue of the Government. In this respect, tourism is not different from any other export activity and its benefits and costs can be analysed in the same way as those of, say, the petroleum industry or the Coffee Trade.

Unlike such commodities, however, the exports of which ^{derived} ~~are~~/from a single branch of production, the goods and services consumed by visitors are the product of several branches, a circumstance which complicate the analysis, the more so since, a part from accommodation, only part of the output of any one branch is sold to tourists.

The foreign exchange earned from, and the income and employment generated by, the expenditure of visitors necessitate using current and capital inputs (which also have a foreign exchange cost) for which there are alternative uses, and the economic benefits of tourism must therefore be weighed against those that might be obtained from alternative uses of the same resources. Hence, it is necessary to consider such questions as:

- (i) Does a unit of Capital invested in tourism ^{create} ~~more~~ or less employment and income, and earn more or less export revenue, than it would if it were invested elsewhere in the economy ?
- (ii) What is the foreign exchange cost of obtaining the export earnings, and how does it compare with the cost in other export industries ?

In view of the limitations of the data needed in order to make such an analysis, the results and conclusions presented regarding the Impact of Tourist Industry on National Economy must be considered as very tentative, and more research into many of the questions discussed is clearly necessary. The analysis has also been made regarding costs and benefits in the following pages which are capable of

measurement. It does not mean that, the cultural, political and other consequences of a rapid growth of tourism in India can be disregarded. They may be significant in determining national policy towards the presentation of tourism, but they are not amenable to economic analysis.

In the first part of the present chapter (Section 'A') Tourism is discussed as a source of foreign exchange earnings. Not only the gross receipt and their contribution to the balance of payments are considered, but also how far imports of both current and capital inputs are necessary and what benefits are obtained from tourism in terms of foreign exchange relative to the resources devoted to the development of tourism. In the second part (Section 'B'), the various ways in which tourism affects income and employment are discussed; the domestic product generated, directly and indirectly, and how it is related to gross foreign exchange earnings, the relative importance of tourism for the national economy, the multiplier effects of the visitor expenditure, the relationship between investment in tourism facilities and the domestic product created by their use, the impact of tourism on public revenue and expenditure, and tourism as a generator of employment.

A. TOURISM AS A SOURCE OF FOREIGN EXCHANGE

The importance of tourism in national economy can be judged in view of its ranking as the second largest foreign

exchange earner.¹ After considering to this target of 1.7 million and 2.5 million international tourists has been fixed for 1985 and 1990 respectively at an annual growth of 15 % (taking 1979 figure of 7.65 lakh tourist as the basis) as against compound growth rate of 12 % recorded during the period 1969-70, foreign exchange earnings from tourism is projected at Rs. 3838 crores (at current prices) in 1990. This is expected to increase India's share of the world tourism receipt from the existing 0.65 % to 1.97 % in 1990, or from the existing 6.4 % to 21.4 % in India's total projected export at the end of this decade as shown in the table no. 3.1.

Table No. 3.1

PROJECTED EXPORT AND TOURISM EARNINGS

Year	Export of world	India	% share	World	India	% share
1979-80	10,92,000	6100	0.54	60,000	392	0.65
1980-81	11,64,620	7000	0.60	66,400	473	0.71
1990-91	20,27,376	17960	0.80	195,200	3838	1.97

Source: Tentative Projection given by Ministry of Commerce assuming 5 % p.a. increases in world tourist arrival and 60 % in average per head expenditure for the period 1980-90 At 1979 price are assuming 7.2 % p.a increase in average per head expenditure of tourists estimated in the 1976-77 Survey conducted by India Tourism Development Corporation.

1. The Time of India, March 31, 1985, p. 9.

Tourism has thus the potential to become the top earner of foreign exchange for the country by the end of this decade. Through the economic activity generated by tourism, it can reduce the trade deficit by contributing heavily to the balance of payments, correcting regional imbalance, dispersing as widely as possible the socio-economic benefits of tourism and creating employment opportunity etc. Infact, tourism brings in its fold these benefits without depleting the physical resources of the country.

(1) Tourism in the Balance of Payment:

Most developing countries are confronted with a shortage of foreign exchange and consequently with difficulties in financing their economic development. The expansion of exports and savings on imports are therefore generally given high priority, and tourism can contribute in this respect to improving the balance of payments.

The conventional treatment of the tourism (or travel) account of the balance of payments is to set credits due to expenditure by visitors in a country against debits due to the expenditure on travel abroad by its residents.² Moreover, often only the net figure of debits or credits is published.

2. In accordance with definitions approved by the United Nations Statistical Commission, visitors expenditure excludes international fare payments (which are included in the transport account of the balance of payments) This is also the practice followed by IMF. The items included in the Travel account by IMF differ in only minor respects from those which should be included according to United Nations definition. Report of the Expert Group on International Travel Statistics, paras 25-30.

While some of the advantages to developing countries of rising receipts derived from tourism are off set by the expenditure of their residents on travel abroad, the two sides of the account are independent of each other. In the context of efforts to increase receipts from tourism, it is not the off-setting outflow caused by residents which is relevant but the foreign exchange resources devoted to obtaining the revenue from tourism in the first place, which are recorded as debit entries mainly other items of the balance of payments. Figures of gross receipts overstate the true gain to the balance of payments. The production of goods and services for visitors necessitates imports not only of current inputs but also of capital goods. Hence it is necessary to enquire also into the foreign exchange returns on investment in tourism. In considering the impact of tourism finance on the balance of payment of India, the relevant question is whether or not these would have been similar inflows and outflows of foreign exchange in the absence of foreign tourism. Particularly in the case of investment, the answering of this question raises, certain difficulties, since hotels and other amenities, including infrastructure, do not serve foreign visitors exclusively but also the resident population.

As regards debits in the balance of payment on current account which are associated with tourism and which would not otherwise be incurred an exhaustive list would include at

least the following:

(a) Imported Goods and Services Consumed by visitors:

Visitors consume food, drink and other goods which are imported because domestic output is insufficient either in quantity or in quality (because, for example, of visitors preferences for well-known brands) - or because there is no domestic output at all, and most other goods they consume, even though produced domestically, involve the import of raw materials or semi-finished products for further processing. Thus, local food may be grown with the aid of imported seed or fertilizer, and even if the fertilizer is produced locally the basic chemical ingredients have to be imported, a domestic brand of cigarette may be manufactured from imported tobacco. Hence, it is necessary to take account not only of direct but of indirect imports i.e., intermediate goods imported by domestic producers in connection with the part of their output which is sold to the tourist sector for consumption by visitors.

(b) Factor Payments Abroad:

These constitute an outflow of foreign exchange on current account in connection with management fees to foreign concerns, with profits and other income earned by foreign investors, including foreign owners of apartments and villas that are let to visitors, and with the remuneration paid to

staff of hotels and foreign artists and entertainments, etc. At least part of such income is remitted home rather than re-invested or otherwise retained in the originating country. Commissions to travel agents and tour operators in the country of residence of visitors constitute another outflow.

(c) Non-Commercial Expenditure on Publicity and Promotion of the country's image abroad:

These expenditures are normally made by governmental or other public bodies. They use public information media, distribution trade literature and other publicity material to travel agents and other enterprises in the countries of origin of visitors, maintain tourist offices abroad, and generally undertake publicity to promote travel to their country. Consequently, most of their budget is spent abroad.

(d) Imports of Capital Goods in connection with Accommodation and other Tourist Amenities:

These include not only direct import (of equipment vehicles, furniture and fittings, building materials etc.) but also the indirect imports that are involved when the same goods are supplied by domestic producers as discussed above under the head "IMPORTED GOODS AND SERVICES CONSUMED BY VISITORS".

(e) Imports Due to Increased Consumption by Residents:

Incomes received by persons engaged in the production

of goods and services for visitors are partly spent on imported consumer goods or on domestically produced consumer goods having an import components. In the latter case, recipients in the sectors concerned in turn spent it in ways which involve further imports. Another form of foreign exchange leakage is most noticeable in the bars and restaurants of hotels, where local residents consume imported drinks and other imported food.

From the above discussion it follows that of the above items only (a) and (b) and without any doubt deductible from gross receipts in order to obtain a net figure of current foreign earnings from tourism Item (c), Marketing and promotional expenditure is, like professional training, more in the nature of development expenditure. The annual amounts disbursed depend on decisions taken by public authorities and bear no direct relationship to the foreign exchange receipts of a particular year, without this public expenditure gross foreign exchange earnings would be smaller.

Item (d) raises similar questions. From the balance of payments point of view, imports of capital goods are a current transaction. However, in national accounting terms, investment in final expenditure, and investment goods are part of final, and not of intermediate, output. Moreover, the import of capital goods for tourism in a particular year bears no direct relationship to foreign exchange

earnings from tourism in that year or in any single succeeding years.

(2) Net Foreign Exchange receipts and the Import Content of visitors expenditure:

In the discussion which follows of the deductions necessary from gross foreign exchange receipts in order to derive the net proceeds, only the first two of the items listed above are taken into consideration namely direct and indirect imports and factor payments abroad (items 'a' and 'b').

To determine the import content of the expenditure of visitors, it is first necessary to know the composition of the expenditure, so that it can be allocated to the different sectors selling directly to tourists. For each of these sectors, imported inputs must be distinguished from inputs purchased from other sectors, and in order to take account of indirect imports, the imports of these other sectors must also be investigated. Such information is more easily available when sufficiently detailed input output data exist which show the flow of inter-sectoral transactions and permit final expenditure to be traced back to the sectors in which output originated and to imports. Thus, in the United States Virgin Islands, it is estimated that nearly half of the receipts from the visitors flows out again to pay for imports of goods and other consumption

goods, and in the BAHAMA ISLAND the proportion is estimated to be about 43 per cent.³

(3) Import of Capital Goods for Tourism:

Because of the general foreign exchange constraint, most developing countries are necessarily concerned with the cost of essential imports for investment. The total effect on the current balance of payments of imports of capital goods, for tourism (and their relationship each year to net receipts from tourism depends primarily on the average foreign exchange content of the investment in hotels and other tourist amenities). For example in Greece, it appears that for first class hotels the import component of investment is about 15 per cent, but is declining as domestic output replaces imports of furniture and other items, and in lower-class hotels it is only about 10 per cent. Even in less industrialised countries it seems that the import content is of the order of 25 per cent. For example in MOROCCO it is stated that even in high grade hotels builders use local products to the extent of 80-85 per cent. This is a healthy sign. India's national economy is bound to improve provided import savings are increased through reduction in import contents where domestic output replaces imports of furniture and other items. This will pave the way

3. The U.S. Virgin Islands : Special Report" Published in World Business No. 11, April, 1981, p. 86.

of economic growth and developing of national income. As developing countries gradually broaden their industrial base it should be possible to reduce the import content of investment in hotels by domestically produced goods such as furniture and fittings, as well as certain building material. Encouraging progress in this direction was noted in GREECE and TUNISIA.

(4) Net Foreign Exchange Return:

The net gain to the balance of payments can also be related to the cost of achieving it, in terms of capital and other resources, devoted to the production of goods and services sold to visitors. Very little research into this aspect of tourism has been undertaken, and from the analysis contained in the UNCTAD secretariat's studies on ISRAEL and YUGOSLAVIA only some very tentative conclusions can be drawn. The same applies to India as well. However, an attempt was made in the UNCTAD secretariat study on YUGOSLAVIA to compare the foreign exchange returns on investment in tourism with returns in other sectors which account for a significant share of Yugoslavia's total export earnings. For this purpose NCAER, New Delhi had undertaken the study in 1982-83 dealing with the cost-benefits analysis of investments for promoting tourism in India. Estimates were made of the gross export receipts in the hotel and catering sector, and in the sub-sector, which accounted

for the bulk of investment in that sector and sold ever 25 per cent of its output to foreign visitors. We have discussed in the following pages the cost-benefit Analysis of Investment in different classes of accommodation for tourists, its impact on Indian economy and have drawn some useful conclusions. The results show that India's national economy is on the move due to investment in tourism.

B. INCOME AND EMPLOYMENT GENERATED BY TOURISM

1. Measurement of Output Due to Tourism:

The multiplier effects of visitor expenditure are discussed in Section B below. Suffice it to note here that any rise in expenditure leads to a chain of increase in factor income, and part of this additional income is spent on imports. The extra imports are a consequence of the increase in receipts from tourism and are not made in order to obtain the additional receipts. While they constitute an indirect effect of tourism on the balance of payments, they represent imports for the private consumption of residents rather than for visitors and can scarcely be regarded as forming part of the travel account. In countries where the import content of consumption in general is high, these additional imports may be large.

Visitor expenditure generates wages and other factor income, and, because the tourist sector itself is composed of several branches, the immediate impact of this expenditure

is usually more widespread than is that of export of many other goods or services. For example, the exports of mineral products create income of persons engaged in mineral processing whereas tourism creates income for persons working in hotels, restaurants and cafes, travel agencies, transport enterprises, places of entertainment, sport and recreation in fact, where the tourist spends his money.

However, there is a relationship between, on the one hand, net foreign exchange receipts from tourism as defined in section (A) above and, on the other, domestic products, "income generated" or "income remaining" in the country. In formal terms, this relationship can be illustrated by the following successive steps by which visitor expenditure is converted into domestic income generation:

- i. Receipts of foreign exchange (equal value of final output sold to visitors);
- ii. Import content of output, including imports of tourist supplying sectors;
 - (a) excluding factor payments abroad;
 - (b) including factor payments abroad;
- iii. Gross domestic product at market prices (i minus ii (a));
- iv. Gross National product at market prices (i minus ii(b));
- v. Indirect taxes less subsidies, including those paid or received by tourist-supplying sectors;
- vi. Gross domestic product at factor cost (iii minus v);
- vii. Gross national product at factor cost (iv minus v);.

Item (iii) and (iv) constitute income generated or remaining, in the country, which is equivalent to the net foreign

exchange receipts from tourism considered in sector A.2 above (i.e. without any deduction for the foreign exchange cost of investments). That is to say the smaller the import contents of tourists expenditure, the greater are not only the net receipts of foreign exchange but also the creation of income (gross domestic or national product at market prices) resulting directly from the tourist expenditure.

The gross product at factor cost is distributed in the form of wages and other labour income, profits, rent interest, and provision for depreciation; some of these payments may be made to factors abroad. The relative size of the deduction under (v) is a function of the general level of taxation, of the extent of dependence on indirect taxes for fiscal revenue, and of the size of Government current expenditure in support of tourism. In the eastern Caribbean Island of Antigua, for example, it was estimated that Government receipt from visitors (mainly indirect taxes) corresponded to over 10 per cent of the expenditure,⁴ whereas in Kenya the indirect tax content, after allowing for costs incurred by the Government, has been estimated at 4 per cent.

2. The Contribution of Tourism to Domestic Product:

Gross foreign exchange earnings from tourism are frequently expressed as a percentage of gross domestic

4. Report of the tripartite Economic Survey of the Eastern Caribbean, p. 81.

or national product. To make valid international comparisons it is necessary to know at least the import content of visitor expenditure or to measure in other ways the value added by tourism. From the preceding discussion, it is evident that such an investigation would be a major study in itself but tentative conclusion can perhaps be drawn from data relating to the countries covered by the UNCTAD secretariat's studies. For example, receipts from tourism in Israel in 1968 were about 8 per cent of total export receipts on goods and services account and about 15 per cent of merchandise exports.

3. Multiplier Effects of Visitor Expenditure:

The above discussion has been carried on in terms of the direct effects of visitors expenditure income accruing to factors of production in the tourist sector itself and in sectors producing intermediate goods which become inputs of the tourist sector - but there are also indirect effects, part of this income is spent on home produced goods and services for personal consumption and this expenditure creates further income in the producing sectors, which in turn is spent partly on consumption of domestically produced goods and services. The remainder will be spent on imports and will not create further income within the economy, or else it will be saved or paid to the Government in taxes. However, if the Government spends all its tax revenues, as is

most likely, there will be further income generated from this expenditure.

Some supporters of the view that Indian Government should promote tourism as a mean of raising national income lay much stress on these multiplier effects of the initial expenditure. However, there are a number of kinds of expenditure (such as expenditure on investment exports and government consumption), an increase in which can lead to a multiplied increase income.

4. Investment and Output For Tourism:

The rise over a number of years in gross domestic product (value added) resulting from foreign tourism can be related to the gross investment associated with it, and this relationship (an incremental capital/output ratio) can be compared with similar coefficients for, say, other exports. Such comparisons are not, however, very meaningful unless output in both cases is mainly for export. Even then, in the case of tourism it is not sufficient to measure only investment in hotels and other establishments devoted almost entirely to servicing visitors, because sectors selling only part of their output to visitors an appropriate share of sectoral investment must be attributed to foreign tourism and added to the investment in hotels. Investment in infrastructure, such as airports, which is directly associated with an increase in foreign tourism, should also be

taken into account, but some allowance must be made for the fact that the facilities are used by residents as well as visitors.

Hence, in practice comparisons must be made in terms of conventional sectoral capital/output ratios, whereby the coefficient for the tourist sector, or the part of it for which value added and investment is more easily determined namely hotels and related establishment is compared with similar coefficient for other sectors. The tourist sector thus comprises for this purpose all enterprises whose main business is transacted with or on behalf of tourist, whereby they are residents or visitors and whereby they are entering or leaving the country or travelling within it.

Capital/output ratios are, however, only a crude means of comparing the productivity of investment in different sectors. They are influenced by different gestation periods of the investment and by the degree of utilization of capacity. Nor is investment necessarily less desirable in a sector having a relatively high ratio, since there is only one of several elements in the choice between alternative investments. It is interesting to examine whether, in addition to its apparent efficiency as an earner of foreign exchange, tourism requires relatively little or much capital per unit of domestic product generated. The available evidence is far too limited to permit any firm conclusion to be drawn, and there is clearly need for much more research, in which

precisely what is included in investment and in output is made explicit. Ratios were examined in the NCAER Study New Delhi, under the caption "Cost-Benefit Analysis of Investment in different classes of Accommodation for tourists"; which has been discussed in the following pages of this chapter. The study reveals that the ratio for the hotel and catering sector appears somewhat higher than for the economy as a whole and for several industrial sectors.

5. Government Revenues From International Tourism:

As in the case of consumption by residents, some of the factor income (i.e. the remuneration of labour and capital) generated by the expenditure of visitors accrues to the Government as the product of income tax and other direct taxes, such as customs duties and sales taxes. The latter are levied on current and capital inputs of the tourist sector as well as on goods and services bought directly by visitors. Where tourism bulks large in the formation of the domestic product it tends also to contribute a high share of total tax revenue, in which case the tourism sector is apt to be one of the principal sources of development financing. For example, in the Bahamas Islands, it has been estimated that in 1978 about 8 per cent of the expenditure of visitors went directly to the Government in the form of Customs duties departure taxes and tax revenue from Casinos (i.e. music and dancing halls) and accounted for about 25 per cent of total tax revenue. It is further estimated that

tourism could contribute 63 per cent of total revenue needed for operational and capital budget of the Government in the periods 1979-84 or alternatively that, if this revenue is not realised, whether because of a shortfall in the expected number of visitors or because of an adverse change in their composition, development expenditure on general infrastructure and social programmes for residents would have to be reduced.

The importance of the direct benefits to the Government from tourism, which should, of course, be measured net of current expenditure including that on publicity and marketing should not however be exaggerated. Of course, there are certainly some countries where the economy and government revenue is heavily dependent on tourism. In any case, these benefits constitute only one of several elements to be considered in evaluating the contribution of tourism to the economy.

A simple comparison of current Government revenue from foreign tourism with Government outlays on publicity and other non-commercial services furnished to the tourist sector will most often reveal that revenue exceeds expenditure by a wide margin.⁵

There are some developing countries with a successful tourist industry which, like Hawali, already depend on immigration to ensure the necessary expansion of industry's

5. Cost-Benefit study of Tourism, presented by N.C.A.E.R., New Delhi, 1982-83, pp. 3-11.

labour force. On the other hand there are also some where the initiation of tourist development proformance will involve heavy expenditure on infrastructure services. Yet it would seem from the above study that only in an extreme situation might the over-all cost to the Government exceed benefits accruing to it in the form of the revenue. Such a situation might raise doubts about the advisability of developing tourism though its subsidization (by other sectors of the economy) might still be justified if the balance of payments and other benefits to the economy were particularly large.

6. Tourism As a Generator of Employment:

In the process of raising additional income, tourism also provides new opportunities for employment in developing countries like India. The pace of increase in employment depends not only on the rate of growth of visitor expenditure but also on labour intensity and labour productivity in the tourist sector, as in other sectors. The effects of tourism on employment can be analysed in the same way as for domestic product. Employment is generated in the tourist sector itself and in the tourist-supplying sectors, and additional employment follows from the effects of the multiplier, as well as from construction activity related to tourism (in particular hotels and other accommodation). Measurement of the total employment impact faces, therefore,

the same difficulties as does that of production generated, compounded by the particular problems attaching to statistics, of employment in service, trends, especially in developing countries. For example, the permanent labour force in the tourist sector is supplemented during the main season by temporary or part time labour, which is often drawn from sections of the population that are gainfully occupied elsewhere, for example in fishing or agriculture during the rest of the year. To what extent it is supplementary income for the existing labour force, rather than additional full time employment, which is created.

Even within the hotel sector, reliable annual statistics of employment are often not available in India, and estimates must be derived from standard coefficients of the number of employees per room for different hotel categories or from the share of wages in total hotel costs and average wages per hotel worker data which are also of uncertain reliability. Even where more frequent records of employment can be used, it is impossible to distinguish between labour serving foreign and that serving domestic tourists, but where the data are sufficiently detailed the hotels, restaurants and other establishments that are primarily associated with foreign tourism can be singled out by reference to their locality or minimum size or turnover.

Not surprisingly, employment directly due to tourism, as far as can be judged by available data, has grown as a

share of total employment in those countries where tourism's contribution to domestic product has grown, and the degree of dependence on tourism for income generation on the one hand and employment creation on the other is broadly similar. Thus, where the domestic product due to tourism is relatively small (as in ISRAEL and GREECE and YUGOSLAVIA), employment in the tourist sector is likewise only a small share of total employment, whereas in islands such as those in the Caribbean a high dependence on tourism for income goes hand in hand with a similar degree of dependence with respect to employment.

The question is sometime raised. Apart from being a "growth industry", does tourism help more than other kinds of expenditure in absorbing unemployed labour because, as is often claimed, the tourist sector is relatively labour intensive ? . This question can be considered from two points of view : the relative amount of employment created per unit of tourism induced domestic product and that created per unit of capital invested.

Obviously, the greater the daily expenditure per visitor, the greater is the impact per visitor on income generation. Although high income visitors may well spend proportionately more on imported goods, the absolute amount of income remaining in the country is almost certain to be greater. If visitor A has a daily expenditure twice that of visitor B and the import content of B's expenditure is 20 per cent,

that of visitor A would have to be as high as 60 per cent for the effect on domestic product to be greater than for visitor B. Similarly, there is more employment created for visitor, since high spending visitors stay in accommodation with a higher staff/bed or staff/room ratio. From a policy point of view, however, the greater income and employment per visitor must be viewed in relation to the greater investment cost of hotels and other amenities that the higher spending visitor uses.

Whether or not tourism is relatively labour intensive it often brings employment and supplementary income to less developed coastal regions of a country, and so may help to redress regional imbalances. Indeed in some regions, or at least in resort areas within them, it can become the main economic proportion, on which a larger part of the resident population depends directly or indirectly.

In Spain, the very rapid expansion of tourism in balearic Islands during 1960s has not only provided new employment opportunities for the local population of active age but has also drawn hotel and other labour from the mainland including the proper Western provinces.

It is generally seen that in most developing countries tourism can contribute (over all or regionally) towards relieving unemployment and under employment. There are some in which expansion has already created, or could forceably create, a labour shortage or also give a rise to increasing

social costs due to the need to take on expatriate staff (where immigrant labour is not rejected on general political and social grounds). In such cases the expansion of tourism is desired more for its balance-of-payments advantages and the general growth of the economy. For this reason, greater emphasis is now laid, for example, on supplementary accommodation such as cottages having its own kitchen facilities and demanding less service labour per unit than does a resort hotel. The cost-benefit study of tourism in India undertaken by NCAER referred to above has forecast a relative increase in the proportion of visitors in the highest income group, who create a greater demand for immigrant labour (with the attendant extra public costs) and hence have a lower benefit cost ratio to the Government than visitors in lower income groups. Since the differential is likely to increase, the author points out in his cost benefit study of Indian tourism which follows that this is a problem which cannot be ignored.

C. COST-BENEFIT STUDY OF TOURISM

1. Costs and Benefits of Investment In Different Classes of Hotel Accommodation:

In view of the limitations in the availability of data some assumption had to be made for the present exercise is evaluating costs and benefits which are spelled out below. The empirical results of the cost-benefit analysis presented

here should therefore be considered as an indicative exercise and further detailed cost-benefit analysis will be necessary for evaluating the investment in individual hotel projects, location-wise and category-wise.

For a proper cost-benefit analysis of investment in hotels, we need to have detailed data on costs, such as:

- i. The cost incurred on land and building, and an infrastructure the number of lettable rooms constructed and the cost of other facilities, such as conference rooms, swimming pool, etc. These should be for each category of hotel.
- ii. Break-up of current operating and maintainance costs.
- iii. The foreign exchange component in:
 - (a) fixed costs; and
 - (b) Current cost of maintenance and also data on revenue in the form of:
 - (1) room sales
 - (2) food sales
 - (3) rental of conference rooms, shops, etc. and
 - (4) foreign exchange received against room and food sales separately.

The average revenue per bed and per room due to room sales, category-wise, is calculated on the basis of information given in the 1980-81 edition of the All India Hotel and Restaurant Guide, published by the Federation of Hotel and Restaurant Association of India, New Delhi. These are shown in column (3) of Table No. 3.2.

Using the data on occupancy rates supplied by the Department of Tourism (which are shown in column (4) of the above table No. 3.2) the estimated gross revenue per year

Table No. 3.2

ESTIMATES OF AVERAGE INVESTMENT COST PER ROOM, AVERAGE NET REVENUE
PER ROOM IN DIFFERENT CATEGORIES OF HOTELS IN INDIA

Category of hotel accommodation	Average fixed investment cost per room	Average gross revenue realised per room per day	Occupancy ratio	Estimated gross revenue per room per year	Ratio of operating net revenue and maintenance cost to gross revenue per room	Estimated net revenue per room per year	Net revenue per year on investment per room (Col.7 as per cent of Col.2)
(1)	(Rs.) (2)	(Rs.) (3)	(4)	(Rs.) (5)	(6)	(Rs.) (7)	(8)
Five Star	148,843	157	85.9	49,225	55	22,151	14.8
Four Star	98,210	107	69.5	27,143	50	13,572	13.8
Three Star	92,666	66	63.8	15,369	45	8,453	9.1
Two Star	88,450	46	66.6	11,182	45	6,182	7.0
One Star	40,000	26	70.4	6,681	40	4,009	10.0

Source: The All India Hotel and Restaurant Guide, Published by the Federation of Hotel and Restaurant Association of India, 1980-81, p. 3.

per room in different categories of hotels is derived and shown under column (5) of the above table. In order to derive the net direct benefit from investing in a hotel room, one should deduct the operating and maintenance costs in order to derive the net revenue realised from letting out the room. Operational and maintenance costs cover room departmental expenses on pay roll (such as salaries and wages of personnel of the rooms department including front office, doormen and porters) and expenses such as room cleaning, guest supplies, laundry, linen, reservation expenses, paper supplies, etc. Other operating expenses under this category cover items such as telephone equipment rental, advertising and sales promotion, expenses, heat light and power expenses and repairs and maintenance expenses. These ratios are approximate levels derived mainly on the basis of information available from balance sheets of a few hotel.⁶ The assumed proportion of cost to be deducted from gross revenue from room sales of each category of hotel is indicated in column (6) of table . The derived net direct benefit from investment in a hotel room is then shown under column (7). The annual rate of return on investment per room in different classes of hotel accommodation is shown in column (8).

From the estimates given in Table No. 3.2, it appears that the rate of return on investment in accommodation of four or five star category is relatively better. Since the

6. The Lakshminarasimhan : Hotel Industry thesis submitted for the Diploma course in company law, Indian Law institute, New Delhi, June, 1973.

Table No. 3.3

ALTERNATIVE ESTIMATES OF COSTS AND BENEFITS OF INVESTMENT IN
DIFFERENT CLASSES OF ACCOMMODATION FOR TOURISTS IN INDIA

Category of hotel accommodation	Average fixed investment cost per room	Average gross revenue realised per room per day	Occupancy ratio	Estimated gross revenue per room per year	Ratio of operating and maintenance cost to gross revenue per room	Estimated net revenue per room per year	Net revenue per year on investment per room (Col. 7 as per cent of Col. 2.)
(1)	(Rs.) (2)	(Rs.) (3)	(4)	(Rs.) (5)	(6)	(Rs.) (7)	(8)
Five Star	150,000	150	70	38,325	55	17,246	11.5
Four Star	100,000	100	70	25,550	50	12,775	12.8
Three Star	70,000	65	70	16,608	45	9,134	13.0
Two Star	50,000	45	70	11,498	45	5,224	10.6
One Star	40,000	25	70	6,388	40	3,835	9.6

Source: The All India Hotel and Restaurant Guide, Published by the Federation of Hotel and Restaurant Association of India, 1980-81, p. 3.

estimates of average investment cost per room for one to three star category of hotels given in the above table appear to be rather on the high side compared to the estimates provided by Lakshmanarasimhan, an alternative exercise has been attempted as shown in Table No. 3.3. In the alternative exercise, it is also assumed that all categories of hotels will have the same occupancy rate of 70 per cent in a year. This exercise shows that investment in room accommodation in two- or three star hotels would yield relatively better direct return than the investments in a four star luxury hotel, provided their occupancy rates are high.

It may be noted at this stage, that conceptually cost benefit analysis would require the identification and measurement of all economic costs and economic benefits. The rate of return on investment presented in table 3 and 4 takes into account only direct investment costs and operating and maintenance costs of accommodation; and again only the direct benefit in terms of revenue by letting out the accommodation. However for a comprehensive analysis; on costs side, one should probably add the value of any 'external dis-economies or social costs that might be resulting from the investment in a hotel of a particular category in a particular location. Since over present study is only illustrative, ignoring the locational variations in the costs, as well as the timings of the cost, we have not evaluated the indirect social costs. On the benefit side

besides the revenue from letting out rooms one might add the net revenue realised by selling food and beverages and by letting out conference rooms and other facilities such as swimming pool, health club etc. So also (a) the value added by the employment generated as a result of investment in hotel accommodation and (b) the value added in the food and service industries catering to the residents in the hotels of different categories could be measured as indirect benefits due to investment in hotels. However, in the absence of such data for the present study no attempt has been made here to estimate. The indirect benefits. Moreover, such a cost-benefits analysis should be attempted in the case of each individual or specific hotel project by the appropriate authority taking the particular investment decision. The empirical result should be considered as of very limited value for policy purposes.

Hotel Employment and Earnings:

Another important role played by hotel industry in the provision of employment, it has been found that employment in the hotel and restaurant sector, and the labour intensive transport sector is more or less similar. According to a study made by the Indian Institute of Public Opinion (IIPO) direct employment in the hotel and restaurant industry was 13 lakhs in 1980. Indirect employment provided by the industry to the tune of 21 lakhs.

The same study also points out that half of the industries derived benefits from the purchases made by this industry, which constituted nearly Rs.1200 crores in the year 1973-74. All this is a part from the contribution made by the unorganised sector.

The industry's contribution to the national income though small is also significant. From a 0.5 per cent contribution to national income in 1960-61, its share has increased to 1.0 per cent in 1978-79. In absolute terms its contribution appears more meaningful. From Rs.80 crores in 1960-61, its contribution rose to Rs.279 crores by 1970-71. By 1975-76 it had gone upto Rs.625 crores reaching as high as Rs.890 crores in 1979-80 and Rs.5000 crores in 1984-85.⁷ Far from being recognised for its contribution to the economic development of the country the hotel sector has been subjected to various taxes. For the industry circle the most annoying is the luxury tax and the recently reimposed sales tax by the 42nd Amendment Act, The different rates applicable under the sales, levy by the state - is bound to cause more operational problems and corruption.

Because of the non Priority status associated with this industry and a broader prospective to tourism in general control and state allocations continued to be extremely meagre in our plans Central and State allocations continued to be extremely meagre in our plans. The current plan

7. Times of India, August, 22, 1985, p. 4.

allocation is only about 0.02 per cent of the total outlay.

"To cater to the expect arrival of 2.5 million tourists annually in India by 1990. The seventh Five Year Plan has earmarked Rs. 5,000 crores in the next decade for hotel and tourism".

The industry needs to have a fresh orientation. For example we need to tap the potential of our rural areas, by developing tourist resorts, and providing suitable hotel facilities. The taxation system should act as an incentive and the differential rates of taxation should be done away with. The example set by the Sri Lanka Government is worth considering. We should provide more incentives to hotels in the shapes of lower costs and other concessions if we are to derive any advantage from the tourist trade.

Currently the rate of investment in the hotel sector is very low both in the public and private sectors. This will have to increase substantially if we are to accept a boom in tourist traffic. This again will be possible only if the right climate is created for investment, as happened in Delhi, before the Asiad. We will also have to give domestic tourism its due place. Place in the interiors of the country need to be bridged through our marketing and publicity efforts. We have to aggressively represent our country in the world market abroad.

It may be said that in the context of our severe balance of payments, the significant contribution of tourism and mainly the hotel industry in foreign exchange cannot be overlooked. We have much to offer to the foreign tourists in the form of historical and religious places and scenic spots. With the Current success of the ASIAD and NAM (Non Aligned Movement) resulting India's image being boosted up. The time is perhaps ripe to make a sincere drive for promotion of tourism and thereby earning good amount of foreign exchange. Otherwise, the investment in the tourist industry and more specially in hotel industry may prove to be of no avail.

Economic Benefits:

The significance of tourism as an important economic activity can hardly be exaggerated. It has been aptly remarked that travel is the fourth dimension of modern economic this saying is more than appropriate in case of India. Apart from its direct contribution through the growth of hotels, restaurants and other tourist oriented schemes, tourism has significant linkages with many other sectors of the economy such as agriculture fruit growing, poultry, handicrafts and transport etc. with a high multiplier effect on these sectors. Tourism is also important in having a direct spin-off of income among sectors of society which are traditionally considered to be backward and sometime rural.

The relation between investment and employment in hotels and severaly other tourist oriented industries is much greater than the normal manufacturing industries. Apart from the high direct employment potential, the indirect employment provided by hotels and allied tourist oriented activities is also enormous.

Another plus point of tourism is that the commodities sold at little cost. The consumables of tourism are, scenery, services, souvenir other than food and drink. But these are produced locally with little of any foreign exchange component and deplete no natural resources.

According to Reserve Bank of India's latest available estimates the foreign exchange earning from tourist stood at Rs. 1063 crores in 1981-82. According to rough estimate on the basis of tourist arrival and increase in the price index, those earnings were of the order of Rs.1225 crores, in 1982 and Rs.1350 crores in 1983. In 1981-82 tourism stood second only to handicraft export valued at Rs.1131 crores among major commodity group earnings foreign exchange. But these earnings of Rs.1131 crores included Rs.750 crores by way of export, of pearls and precious stones of which more than 90 % in value term were imported for processing in India for re-export. Thus on the basis of net foreign exchange realization, tourism, earnings were actually higher than those from the export of handicrafts. Besides India produces

most of the articles and commodities needed for hotels and tourism related activities added not have to import them. Thus, the difference between the gross and net foreign exchange earnings of tourism in India is higher in comparison to other export industries. I should like to emphasise that there is an enormous untapped potential for India to earn foreign exchange through proper harnessing of India's virtually unlimited touristic assets.

The contribution of international tourism to the GNP of the host country is one of the standard yardsticks for measuring the economic impact of international tourist on the India's national economy. The share of tourist receipts of India tourism relative to those of world tourism. Table No. 3.4 give these figures.

As per table No. 3.4 India foreign exchange receipts in rupees are changed to receipt in dollars in order to compute Indian receipts as a percentage of world receipt. India has more than doubled its share over the decade with an increase from .302 per cent to .633 per cent and these percentage have significant upward trend ($P < .001$). The index numbers with base 100 = 1970 for exchange receipt for India increased almost eleven fold from 11 in 1971 to 1135 in 1980 with the most dramatic increase occurring between 1975 and 1976, and 1980. By Comparison the Corresponding indexes for the world foreign exchange receipts are poor indeed, with less than a five fold increase.

Table No. 3.4

FOREIGN EXCHANGE TOURISM RECEIPTS FOR INDIA
COMPARED WITH WORLD RECEIPTS 1970-1980

Year	India Rs. million	India \$. million	World \$ billion	India % of World	India	1970-100 World
1970	406	54	17.9	.302	100	100
1971	448	60	20.9	.286	111	117
1972	577	76	24.2	.314	141	135
1973	711	92	27.6	.333	170	154
1974	932	115	34.1	.337	213	191
1975	1042	124	38.6	.322	230	216
1976	2250	251	43.7	.549	465	244
1977	2830	324	52.4	.618	600	293
1978	3380	413	65.1	.634	765	364
1979	3840	473	79.0	.598	876	441
1980	4820	613	92.5	.663	1135	517

Source: International Financial Statistic (1978-81)

While tourism remains a most desirable human activity, it has been widely acclaimed as a vital economic factor in the growth of an economy, chiefly of developing countries, facing adverse balance of payments and foreign exchange crises. To India, having launched her mammoth development and programmes, tourism seems to be a rich promise of a major break through.⁸

Tourism unlike industry, is much more pervasive in its economic impact it represents on infection of external purchasing power into the economy widely distributed in its initial regional impact and acting as a stimulus to every sector of economy. Tourist being an economic force), therefore, are hailed almost in all the countries, socialists or capitalists, of the world as "inadvertent financier of development plans, they eradicate trade deficit and surpluses, assimilate local cultural, cause road to be constructed, reorient the settlement pattern of region and some extent personalise affluence in the region of poverty.

4. Net Contribution of Tourism to the Indian Economy:

In the Indian context, there are no systematic studies relating to the contribution of tourism to India's national

8. Singh Tejvir "Prospects of Tourist Industry in India" Paper read 21st August IGC (Urban Symposium) Varanasi, 1968, also published by National Committee for Geography (IGC Selected papers) vol. 2, Calcutta, 1968, p.268-71.

economy except a few stray remarks such as that tourism ranks tenth in earning foreign exchanges in relation to other exporting sectors by commodity origin.⁹ For this reason, a detailed study of the overall contribution of tourism to the Indian economy is attempted in this chapter by way of estimating incomes originating from different tourism activities, and from the different purposes of tourists visit, and in turn, estimating the contribution of tourism to employment and tax revenue of the Indian economy.

Gross receipts from foreign tourists are dependent among other things, on the number of foreign tourist arrivals for different purposes of visit, per tourist daily expenditure on different tourism activities and for different purposes of visit and the average length of stay (in number of days) of tourists distinguished for different purposes of visit; changes in composition of tourists belonging to low and high spending categories (according to country of nationality). For each tourism activity and purpose of visit, gross receipts from tourism are computed by equating to the product of the number of tourists multiplied by their average duration of stay (in days) and per tourist daily expenditure.

The data for the estimation of gross receipts from foreign tourists are available only for 1976-77, 1980-81 and 1982-83 from the (i) Economic Survey of Tourism in

9. Chowdhery R.K. 'Tourist Industry in India's Economic Development' Foreign Trade Review, Jan-March, 1973, pp.418-419

India for 1976-77. Report of Department of Tourism, Ministry of Transport and shipping Government of India for 1980-81 and for 1982-83, commissioned by the Department of Tourism to the Indian Institute of Public Opinion (IIPO), New Delhi. These sources provide detailed and reasonably comparable data on the structure of per-tourist expenditure with requisite details that enable one to compute gross receipts from foreign tourists. In these reports, broadly a four-fold classification of tourist expenditure is adopted:

- (i) Boarding, lodging, restaurant and entertainment,
- (ii) Total internal transport,
- (iii) Total shopping and
- (iv) Miscellaneous.

However, a further break up of the item (i), (ii) and (iii) is given for 1980-81 and 1982-83. The per tourist expenditure is also distinguished in these reports further under four purposes of visit, viz. (i) Business (ii) Tourism/holiday, (iii) Study/education and (iv) others. This four-fold classification of the purpose of tourists visit has some advantages in bringing out certain aspects of the tourism policy in India.

Per-tourist expenditure (in rupees) according to purposes and activities are given in the following Tables No.3.5 3.6, and 3.7 for 1982-83, 1980-81 and 1976-77 respectively.

Table No. 3.5

AVERAGE EXPENDITURE PER TOURIST (ALL-INDIA) BY PURPOSES
AND ACTIVITIES - 1982-83

					(In rupees)
Purposes Activities	Business	Tourism/ holiday	Study/ education	Others	All purposes
A. Boarding & Lodging	785.57	519.97	812.16	302.68	526.49 (31.99)
B. Restaurant and entertainment	328.32	217.31	339.44	126.48	220.01 (13.37)
SUB TOTAL (A+B)	1,113.89	737.28	1,151.60	429.16	746.50 (45.36)
C. Internal transport					
(i) Air	358.28	237.15	370.41	138.03	240.10 (14.59)
(ii) Rail	61.14	40.47	63.22	23.53	40.95 (2.49)
(iii) Cars/taxis/buses	199.65	132.14	206.40	77.03	133.91 (8.13)
SUB TOTAL (C)	619.07	409.76	640.03	238.59	414.96 (25.21)
D. Shopping					
(i) Jewellery	119.84	79.32	123.89	46.24	80.38 (4.88)
(ii) Silk/handloom	217.82	144.17	225.19	83.92	145.98 (8.87)
(iii) Curios	88.16	58.35	91.14	33.95	59.07 (3.59)
(iv) Handicrafts	712.63	114.27	178.48	66.57	115.75 (7.03)
(v) Others, including films, post cards	40.02	26.49	41.38	15.47	26.87 (1.63)
SUB TOTAL (D)	638.46	422.60	660.08	246.15	428.05 (26.00)
MISCELLANEOUS	84.24	55.76	87.09	32.47	56.46 (3.43)
TOTAL	2,455.67	1,625.40	2,538.80	946.37	1,645.97 (100.00)

Note: Figures in parentheses represent the percentage distribution of per tourist expenditure among tourism activities.

Source: Survey of Foreign Tourists in India, 1983 by IIPO on behalf of the Department of Tourism, Government of India, p. 65.

Table No. 3.6

COST-BENEFIT STUDY OF TOURISM

Average Expenditure Per Tourist (all-India) by Purposes and Activities - 1980-81

					(In rupees)
Purposes Activities	Business	Tourism/ holiday	Study/ education	Others	All purposes
A. Boarding & lodging	542.46	404.05	558.86	294.94	413.49 (30.23)
B. Restaurant and entertainment	21.300	158.65	219.44	115.85	162.40 (11.87)
SUB-TOTAL (A+B)	755.46	562.70	778.30	410.79	575.89 (42.10)
C. Internal transport					
i) Air	152.35	113.48	156.95	82.90	116.20 (8.49)
ii) Rail	319.59	238.05	329.26	173.72	243.56 (17.81)
iii) Cars/taxis/buses					
SUB-TOTAL (C)	471.94	351.53	486.21	256.62	359.76 (26.30)
D. Shopping					
i) Jewellery	40.92	30.47	42.15	22.31	31.25 (2.28)
ii) Silk/handloom	242.43	180.57	249.76	131.83	184.77 (13.51)
iii) Curios	64.24	47.85	66.18	34.93	48.99 (3.58)
iv) Handicrafts	127.05	94.54	130.89	69.03	96.82 (7.08)
v) Others, including films, post cards	31.40	23.39	32.35	17.06	23.92 (1.75)
SUB-TOTAL (D)	506.04	376.92	521.33	275.16	385.75 (28.20)
MISCELLANEOUS	61.02	45.44	62.85	33.18	46.51 (3.04)
TOTAL	1,794.46	1,336.59	1,848.69	975.75	1,367.91 (100.00)

Note: Figures in parentheses represent the percentage distribution of per tourist expenditure among different tourism activities.

Source: Survey of Foreign Tourists in India, 1981 by IIPO, on behalf of the Department of Tourism, Government of India, p. 67

Table No. 3.7

AVERAGE EXPENDITURE PER TOURIST (ALL+INDIA) BY PURPOSES
AND ACTIVITIES - 1976-77

Activities Purposes	(In rupees)				
	Business	Tourism/ holiday	Study/ Education	Others	All purposes
Boarding, lodging and entertainment	604.25	450.07	622.51	328.56	460.61 (46.2)
Internal travel	363.59	270.82	374.82	374.58	277.17 (27.8)
Shopping	272.04	202.63	280.26	147.92	207.38 (20.8)
Miscellaneous	68.01	50.65	70.07	36.98	51.84 (5.2)
TOTAL	1,307.89	974.17	1,347.42	711.17	997.00 (100.00)

Note: Figures in parentheses represent the percentage distribution of per tourist expenditure among different tourism activities.

Source: Economic Survey of Tourism in India, Department of Tourism, Government of India.

It may be noted that in certain cases of purposes of visit, such as "education/study" and "others" computation of per-tourist expenditure and average duration of stay, is based on the weighted average of their components; the weight being the number of tourist arrivals in those categories. The aggregate per tourist expenditure for a given purpose of visit is apportioned to different activities in the same proportion as assumed for all purposes together. This implies that the activities-wise per-tourist expenditure pattern is uniform between the purposes of visit and that all the same time the

relative weights of per-tourist expenditures for the four purposes of visit hold good for each activity as they are for all valid in general as the per tourist expenditure activities together.

To compute net receipts from foreign tourists, the tourism costs are required to be deducted from gross receipts. The available data on the different types of tourism costs are utilised as detailed below.

Data on import licences approved and utilised by the Hotel Sector for (i) lodging and boarding and (ii) restaurants and entertainment for 1982-83 and 1980-81 are collected from the Department of Tourism, Government of India. These data include the imports of consumer goods such as liquor, raw materials such as provisions, fish, cheese, sauces, glassware etc. and of capital goods including spare parts.

Payments in foreign exchanges to foreign factors are mostly on account of collaborations in the hotel sector. Promotional and advertising charges abroad to induce the foreign tourists and cost of training personnel abroad to divert the skills in tourism sector are also relating to the hotel sector. Discussions with the Department of Tourism also helped us in ascertaining that the import Content of Tourists shopping items such as handlooms, jewellery, etc. is negligible, if not completely nil.

It follows from the above discussion that the net income or net receipt from foreign tourist expenditure indicates the net contribution to the gross national product (at market price) generated directly from foreign tourist expenditure. Obviously, this gross national product is net of outflows of foreign exchange on import of capital materials, consumer goods, and payments to foreign factors of production. As per national accounting concepts, if the payment to foreign factors is not netted from the gross receipts it is the contribution of "gross domestic product". If depreciation is also deducted from the contribution it is net national product at market price, and if further indirect taxes less subsidies are reduced, then we get the net national product or national income at factor cost originating directly from foreign tourists. This direct income accruing to the economy will be received by the factors of production in terms of wages, rent, interest and profits, which will be re-spent or re-invested for further turnover effects. Thus it is assumed for the purposes of estimating the total aggregate national income contributed in the economy due to foreign tourism in India, that it will be in the range with a low 3.2 and a high 3.6 multiplier co-efficient times that of the initially injected direct income derived from foreign tourists expenditure.

4. Gross Receipts From Foreign Tourists:

From the estimates given in Table 3.8 and 3.9 it appears that the gross receipt from foreign tourists expenditure increased rapidly from Rs. 273.7 million in 1980-81 to about Rs.611.9 million in 1982-83 whereas the overall average per tourist daily expenditure rose from Rs. 39.72 in 1976-77, to Rs. 61.34 in 1980-81 with a strict decline to Rs. 58.16 in 1982-83. But average expenditure per tourist has however, risen from Rs. 1,368 in 1976-77 to Rs.1,646 in 1982-83, because of the increase in tourist arrivals during 1981-82. More important than these aggregate growth rates, the changes in the composition of the two major categories of foreign tourists in India are relevant to explain the trends in tourist expenditure. The share of the high spending category tourist traffic, which had been on the increase since 1976-77 declined from 73.6 per cent in 1980 to 67.4 per cent in 1982. In general, the high spending tourists are more than two thirds of foreign visitors to India.

From the data given in table 3.10, it may be noted that in 1976-77, the high spenders were the nationals of Eastern Europe including the USSR (Rs. 1,770,37. per tourist expenditure) followed by those of USA (Rs.1,714.06) and of Africa (Rs. 1,698.62). In 1982-83, the high spenders were the nationals of U.S.A. (Rs.2,145.35 per tourist expenditure) followed by Africa nationals (Rs. 1,862.84), Canadians

Table No. 3.8

GROSS RECEIPTS FROM FOREIGN TOURISTS ACCORDING TO PURPOSES
AND ACTIVITIES - 1982-83

(Rs. million)					
Activities	Purposes Business	Tourism/ holiday	Study/ education	Others	All purposes
A. Boarding & lodging	47.6	121.6	12.1	14.5	195.8 (31.99)
B. Restaurant and entertainment	19.9	50.8	5.0	6.0	81.7 (45.37)
SUB-TOTAL (A+B)	67.5	172.4	17.1	20.5	277.5 (45.36)
C. Internal transport					
i) Air	21.7	55.5	5.5	6.6	89.3 (14.59)
ii) Rail	3.7	9.5	0.9	1.1	15.20 (2.49)
iii) Cars/taxis/ buses	12.1	30.9	3.1	3.7	49.8 (8.13)
SUB-TOTAL (C)	37.5	95.9	9.5	11.4	154.3 (25.21)
D. Shopping					
i) Jewellery	7.3	18.6	1.8	2.2	29.9 (4.88)
ii) Silk/Handloom	13.2	33.7	3.3	4.0	54.2 (8.87)
iii) Curios	51.3	13.6	1.4	1.6	21.9 (3.59)
iv) Handicrafts	10.5	26.7	2.7	3.2	43.1 (7.03)
v) Others includ- ing films, post cards	2.4	6.2	0.4	0.8	10.0 (1.63)
SUB-TOTAL (D)	38.7	98.8	9.8	11.8	159.1 (26.00)
MISCELLANEOUS	5.1	13.0	1.3	1.6	21.0 (3.43)
TOTAL	148.8 (24.32)	380.1 (62.11)	37.7 (6.17)	45.3 (7.40)	611.9 (100.00)

Note: Figures in parentheses are percentages of total receipts from foreign tourists.

Source: Survey IIP0 on behalf of Department of Tourism, Government of India, 1983-84, p. 69.

Table No. 3.9

COST-BENEFIT STUDY OF TOURISM

Average Daily Expenditure Per Tourist According to Purposes and Activities - 1982-83

(In Rupees)					
Activities	Purposes Business	Tourism/ holiday	Study/ education	Others	All Purposes
A. Boarding and lodging	52.02	26.67	12.19	4.63	18.61 (31.99)
B. Restaurant and entertainment	21.74	11.14	5.10	1.94	7.77 (13.37)
SUB-TOTAL (A+B)	73.76	37.81	17.29	6.57	26.38 (45.36)
C. Internal Transport					
i) Air	23.73	12.16	5.56	2.11	8.48 (14.59)
ii) Rail	4.05	2.07	0.95	0.36	1.45 (2.49)
iii) Cars/taxis/ buses	13.22	6.78	3.10	1.18	4.73 (8.13)
SUB-TOTAL (C)	41.00	21.01	9.61	3.65	14.66 (25.21)
D. Shopping					
i) Jewellery	7.94	4.07	1.86	0.71	2.84 (4.88)
ii) Silk/handloom	14.42	7.39	3.38	1.28	5.16 (8.87)
iii) Curios	5.84	2.99	1.37	0.52	2.09 (3.59)
iv) Handicrafts	11.43	5.86	2.68	1.02	4.08 (7.03)
v) Others, includ- ing films, post cards	2.65	1.36	0.62	0.24	0.95 (1.63)
SUB-TOTAL (D)	42.28	21.67	9.91	3.77	15.12 (26.00)
MISCELLANEOUS	5.58	2.86	1.31	0.50	2.00 (3.43)
TOTAL	162.62	83.35	38.12	14.49	58.16 (100.00)

Note: Figures in parentheses represent the percentage distribution of per tourist daily expenditure among the tourism activities.

Sources: Survey 34 IIP0 on behalf of the Department of Tourism Government of India, 1983-84, p. 72.

Table No. 3.10

AVERAGE PER CAPITA EXPENDITURE OF TOURISTS VISITING INDIA
BY NATIONALITY - 1976-77 and 1982-83

Nationality	Per capita expenditure (In Rs.)		Percentage change (1982-83 over 1976-77)
	1976-77	1982-83	
1. U.S.A.	1,714.06	2,145.35	(+) 25.16
2. Other North, Central and South America	N.A.	1,785.02	
i) Canada	N.A.	1,835.41	
ii) Central & South America	N.A.	1,557.38	
3. United Kingdom	1,429.72	1,650.12	(+) 15.42
4. Western Europe ex- cluding United King- dom	1,367.78	1,791.89	(+) 31.01
5. Eastern Europe (in- cluding Soviet Union)	1,770.27	1,539.00	(-) 13.06
6. Africa	1,698.62	1,862.84	(+) 9.67
7. West Asia	983.51	1,540.91	(+) 56.67
8. Japan	1,337.59	1,786.45	(+) 33.56
9. Other South, South East and East Asian countries	850.69	760.03	(-) 10.66
South Asia	N.A.	595.97	
South East Asia	N.A.	910.81	
East Asia excluding Japan	N.A.	1,691.11	
10. Australasia	N.A.	1,261.95	
Australia	961.68	1,345.41	(+) 39.90
Others	N.A.	904.18	
ALL NATIONALITIES	1,367.91	1,645.97	(+) 20.23

Source: A Survey of Foreign Tourists in India, 1983-84,
Indian Institute of Public Opinion (IIPO), p. 13.

(Rs. 1,835.41) and West European including U.K. nationals (Rs. 1,791.41) and Japan (Rs. 1,786.45). The low spenders were the South Asian and South East Asian nationals whose per tourist expenditure in India was about half of the overall average, ranging from Rs.595.97 to Rs.910.87 while the overall increase in per tourist expenditure of all nationals from 1976-77 to 1982-83 was 20.33 per cent, the highest rise was in the case of nationals of West Asia (56.67 %) followed by those of Australia (39.9 %), Japan (33.56 %), Western Europe excluding the U.K. (31.01 %) and of the U.S.A. (25.16 %). The per tourist expenditure of the nationals of Eastern Europe including U.S.S.R. declined by 13.06 per cent from Rs. 1,770 to Rs.1,539 of South East and East Asian countries (excluding Japan) it declined by 10.66 per cent from Rs. 850.69 to Rs. 760.03. In 1976-77 and 1982-83 the per tourist expenditure of nationals of South South East and East Asian countries excluding Japan was the lowest.

IMPACT OF FOREIGN TOURISM ON NET NATIONAL PRODUCT

Table No. 3.11 gives the income impact of foreign Tourism in India computed on the basis of two alternative values of tourism multiplier for a high of 3.6 and a low of 3.2 per cent respectively.

Table No. 3.11

INCOME IMPACT OF FOREIGN TOURISM IN INDIA

Year	Income from tourist at factor cost (Rs.million)	Total income generated by tourism		Percentage con- tribution of tour- ism to nation In- come of India	
		Low	High	Low	High
1976-77	121.6	389.0	437.6	0.19	0.21
1980-81	222.3	711.6	800.6	0.25	0.28
1982-83	538.6	1,721.4	1,936.6	0.44	0.50

Source: Department of Tourism, Government of India, Broucher, p. 4.

The estimates of the total impact of foreign tourism on national income reveal that aggregate income from tourism accounts for only 0.19 to 0.21 per cent of net national product (NNP) at factor cost for 1976-77, 0.25 to 0.28 per cent of NNP at factor cost for 1980-81 and 0.44 to 0.50 per cent of NNP at factor cost for 1982-83. Thus it appears that tourism is not yet a very significant sector of the national economy; although its share in the national income has been increasing rapidly since 1976-77.

CONTRIBUTION TO EMPLOYMENT GENERATION

The estimates of total employment generated due to foreign tourism in India are presented in table No. 3.12

Table No. 3.12

EMPLOYMENT DUE TO FOREIGN TOURISM
1976-77 - 1982-83

Year	Estimated aggregate income generated by tourism		Income employment ratios	Estimates of Total employment generated by tourism	
	Low (Rs.million)	High (Rs.million)		Low	High
1976-77	389.0	437.6	1124 : 1	346,081 (0.19)	389,341 (0.21)
1980-81	711.6	800.6	1543 : 1	461,129 (0.25)	518,891 (0.28)
1982-83	1,721.4	1,936.6	2074 : 1	830,014 (0.44)	933,766 (0.50)

Note: Figures in parentheses are percentage of hotel employment contributed by tourism to the total estimated working population.

Source: Department of Tourism, Government of India, India Boucher, p.7.

The estimates of impact of tourism on employment given above also show that tourism is not yet a very significant sector in the economy of employment, because its share in the total employment works out to less than half of one per cent. However, it appears that since 1976-77 employment in tourism sector has been increasing at a significant pace.

CONCLUSION

The findings of this chapter clearly reveals that the impact of tourist industry on national economy has been fairly large. This can be judged from the rapid growth and expansion of this organisation and the coming up of new tourist resorts every year. The tourism investment has been yielding good returns which are being absorbed in the tourist industry. There is no denying the fact that tourist investment has inevitably enlarged our national economy, stabilised our financial position and put the entire organisation on the road of prosperity and profitability.

The object of this chapter is to make an overall assessment of tourism investment on removing backwardness and eradicating poverty for certain regions of the country. The benefits of tourism should not be confined to a particular place but it should be spread all over the country. Hence the following questions posed by the author have been logically answered to prove that tourism investment has been mobilised in raising Indian economy. For example:

- i - Does a unit of capital invested in tourism create more or less employment and income, and earn more or less revenue, than it would if it were invested elsewhere in the economy ?
- ii - What is the foreign exchange cost of obtaining the export earnings, and how does it compare with the cost in other export industries ?.

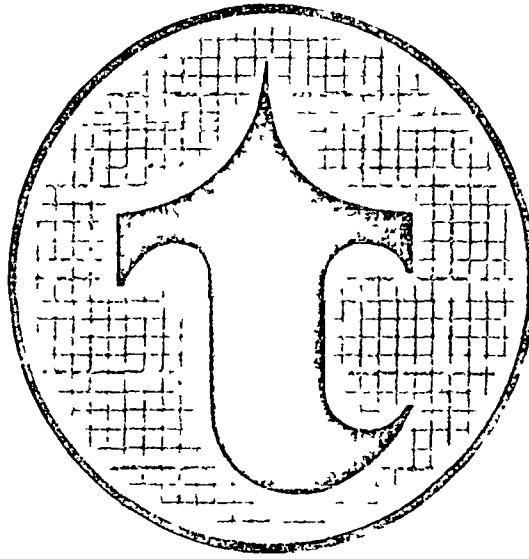
Of course tourism is a mean to obtain foreign exchange and its importance can be judged in view of its ranking as the second largest foreign exchange earner. After considering to this target of 2.5 million international tourist has been fixed for 1990 respectively at a annual growth of 15 per cent as against compound growth rate of 12 per cent recorded during 1969-70, foreign exchange earning from tourism is projected at Rs. 3,838 crores (at current prices) in 1990. It is expected to increase India's share of the world tourism receipt from the existing 0.65 per cent. to 1.97 per cent in 1990. Thus by the end of this decade tourism investment would become the top earner of foreign exchange for the country. Through the economic activity generated by tourism, it can reduce the trade deficit by contributing heavily to the balance of payments, correcting regional imbalance, dispersing as widely as possible the socio-economic benefits of tourism and creating employment opportunity etc. In fact, tourism brings in its fold there benefits without depleting the physical resources of the country.

While measuring the output resulting from tourism it is concluded that the smaller the import contents of tourist expenditure, the greater are not only the net receipts of foreign exchange but also the creation of income (gross domestic or national product at market prices) resulting directly from the tourist expenditure. In the eastern Caribbean Island of Antigua, it was estimated that government receipt from visitors (mainly indirect taxes) corresponded to over

10 per cent of the expenditure. Whereas in Kenya the indirect tax content after allowing for costs incurred by the government has been estimated at 4 per cent.

Similarly it has been examined that Government Revenue from international tourism has been gradually increasing where tourism bulks large in the formation of the domestic product. It tends also to contribute a high share of total tax revenue, in which case the tourist sector is apt to be one of the principal sources of development financing. Further a simple comparison of current government revenue from foreign tourism with government outlays on publicity and other non-commercial services furnished to the tourist sector will most often reveal that revenue exceeds expenditure by a wide margin. This fact has been mentioned in "Cost-Benefit Study of Tourism", presented by N.C.A.E.R. New Delhi, 1982.

Having examined the impact of tourist industry on national economy by thorough interpretation of various datas given in tables and charts the author comes to the conclusion that tourist industry has been yielding good profits and is financially well off and growing well. It is in this context that the author forms the subject matter of the subsequent chapter entitled "Contribution of I.T.D.C. in the Growth of tourism in India", just to find out how to return on investment and the allocated amounts are being utilised by I.T.D.C. in the growth and expansion of this industry. Since the target of 2.5 million tourist are expected to come to India by the end of 1990. Let us see how I.T.D.C. manages its future programme to accommodate the tourists.



I.T.D.C

Chapter IV

"CONTRIBUTION OF ITDC IN THE GROWTH OF TOURISM IN INDIA"

HISTORY OF INDIA TOURISM DEVELOPMENT CORPORATION (I.T.D.C.) :

In the previous chapter an impact of tourist industry on national economy was examined. The study reveals that tourist investment has been yielding good returns which has enlarged our national economy, stabilised our financial position and put tourism industry on the path of prosperity and profitability. In the present chapter entitled, the contribution of India Tourism Development Corporation in the growth of tourism in India, it is explored as to how the growing national economy assists India Tourism Development Corporation in the growth of tourism in India.

In India, the importance of tourism had been recognised even before the Second World War. The intervention of war, however, put a stop to the tourist promotion activities of the Government. The first conscious and organised effort to promote tourism in India was made in the year 1945, when a committee was set up by the Government of India, under the chairmanship of Sir John Sargent, the educational

adviser to the Government of India. The main objectives of the committee was to survey the potentialities of developing tourist traffic in the country.

The Sargent committee which submitted its interim report in October 1946, were unanimously of the opinion that it would be in the interest of India to encourage and develop tourist traffic both internally and externally. One of the major recommendations of the committee related to the setting up of a separate representible organisation of semi-official.¹ The Committee recommended that the question of promoting and developing tourist traffic was a matter of great national importance and, therefore, it deserves the whole time attention of a separate organisation.

An adhoc traffic committee was appointed in 1948, to suggest ways and means to promote tourist traffic in India. On its recommendation, a tourist branch was set up in 1949, with two regional offices opened in Calcutta and Madras.

In 1956, the three corporations were set up with the recommendation of committee. These three corporations were named below:

1. Hotel Corporation of India Ltd.
2. India Tourism Corporation Ltd.
3. India Tourism Transport undertaking Ltd.

These Corporations were set up under the provision of Companies Act, 1956. The main objective for the establishment

1. Department of Tourism, Annual Report, April, 1965, March, 1966, p. 20.

of these corporations was to construct and manage the hotels in the public sector, produce material for tourist publicity and to provide transport facilities to the tourist.²

These Corporations were incorporated in different dates, Hotel Corporation of India Ltd. was incorporated on 21st January, 1965, with authorised capital of Rs. 400 lakhs, Indian Tourism Corporation Ltd. was established on March, 1964, with authorised capital of Rs. 50 lakhs, and India Tourism Transport Undertakin Ltd., was established in December 1st, 1964, with authorised capital of Rs. 19 lakhs respectively.

Later on the Government of India decided to merge these undertakings. This decision was taken by the Government after seeing the negative progress of these undertakings. Because Hotel Corporation of India ltd. was suffering from loss of Rs. 1,48,514.96, India Tourism Corporation Ltd. was making loss of Rs. 54,796.52 and India Tourism Transport Undertaking Ltd. was also incurring loss of Rs.1,33,726.35 All these losses were shown at merger Balance Sheet of the Corporation. These losses were due to lack of Coordination, uneconomic working and mismanagement.

To avoid these losses and future risk the Government of India issued "India Tourism Corporation Amalgamation Order in 1966, and these three corporations were dissolved and

2. "Tourism Development Principles and Practices", Edited by AIK Bhatia. Published by Sterling publishers, Pvt., Ltd., p. 303.

merged into one in 1966. This act of amalgamation was done at proper time to catch the pace of tourist requirements. To evaluate the standard of tourist services to a level acceptable to foreign tourists, who are accustomed to considerable higher standard of service than those existing in the country. Accordingly, the Government set up in October, 1966, a public sector undertaking, namely the "India Tourism Development Corporation Ltd." in Delhi. The authorised capital of the corporation was Rs. 5 crores. The Corporation is fully owned by Government of India. Funds were provided by the Government in the shape of equity and loan capital.

This unified corporation started functioning with effect from October 1st, 1966. In the first decade of its inception (1966-67) the aggregate net profit of the corporation was Rs. 234 lakhs. In the beginning of the year 1966-67, appears, in the retrospect, as the year of organisational change and adjustment devoted to smooth and proper functioning of the organisation.³

Further to make it more successful and result oriented corporation, the Government of India accept the recommendations of the Administrative Reform Commission (ARC), and as such the control of Ashok Hotel Ltd., and Janpath Hotel Ltd., was transferred from, the then Ministry of Works,

3. The Organisation of the Government of India, OP/CIT, p. 254.

Housing and Supply to the Ministry of Tourism and Civil Aviation from July 2, 1968. These two Hotels along with Lodhi and Ranjit Hotels were amalgamated with India Tourism Development Corporation from March, 1970.⁴

ORGANISATIONAL STRUCTURE OF (I.T.D.C.):

The President of India is authorised to determine the number of Directors of the Corporation. The number of Directors should not be less than two and more than 15. The Chairman is appointed by the President who works in an honorary capacity and no remuneration paid to him. The power are delegated to Chairman-cum-Managing Director who delegates power to other officers. The term of the Board is five years. The Department of Marketing, Hotel Planning, Production and Publicity, Finance, Transport, Project Division, Material Management Division, Corporation and Personal Division are headed by the Vice Presidents. Every Vice President looks after the job of its own division and reports to the Managing Director as it is shown in the organisation chart of India Tourism Development Corporation.

ITDC : CATALYST IN TOURISM DEVELOPMENT:

Eighteen years ago a unique organisation came into existence in our country entrusted with the task of promoting tourism alongside developing, infrastructure.⁵ Sceptic

4. Annual Report, 1971-72, Ministry of Tourism and Civil Aviation, Op. cit., p. 26

5. Annual Report, 1983, Ministry of Tourism and Civil Aviation, p. 8, published by I.T.D.C.

raised their eyebrows at the thought of Government, venturing into a field that was almost universally. The pressure of private industry, even proved them wrong. Today, this organisation is being studied as a model for a balanced promotion of tourism. It is called 'India Tourism Development Corporation', and I.T.D.C. in its precise form. Its symbol of the letter 't' has become synonymous with tourism, as a result of patient and sustained promotional efforts both within India and abroad.

Tourism in India has taken rapid strides since 1966, when India Tourism Development Corporation was set up. Tourist Arrival went up from 1,60,000 to 13,04,976 in 1983, and foreign exchange earning was raised from Rs. 23 crores to Rs. 560 crores. This spectacular growth indicates the corporation's success as a catalyst in the tourist industry.

What makes India Tourism Development Corporation unique is the wide area of its operations in an industry that is generally known for its specialisation. For instance India Tourism Development Corporation has developed transport with the same enthusiasm as its chain of hotels. Providing assistance to Tourism Corporations by State Governments, India Tourism Development Corporation has now reached a level of expertise that enables it to offer consultancy services to other countries as well.

Duty free shop, sound and light shows and Tourism Publicity and Entertainment services are among the multi-faced activities of the corporation to which yet another discussion had been added. It has its own travel agency "Ashok Travel and Tours".

Maintaining the finest standard in creating travel and tourism in the country, I.T.D.C. now offers a complete package of tourist services. In addition, it has provided good steady value for money for tourists while inflation has been rampant in the private sector of this country. I.T.D.C. has also concentrated its efforts on making the visitors experience truly Indian. It has sought to help the tourist rediscover the great culture from the past as also a country making rapid and exciting changes to create a firm place in the world of today.

I.T.D.C.'s most significant success has come from the growth it has stimulated all over the country. Today Khajuraho, Bhubaneswar, Kovalam and Mahabalipuram, Patna and Kaziranga to name only a few features of tourist itineraries that once did not go behind the beaten track of Agra and Jaipur. Each of the previously untapped regions now has a modern new hotels at its gateway and every one of them, by capital coincidence, is an Ashok Group of Hotel of (India Tourism Development Corporation).

Traditionally, tourism in our country was concentrated in the North, India Tourism Development Corporation

broke a new ground and extended the frontier of Indian Tourism. It was in the city of Bangalore that the first major step in this direction was taken. The opening of the Hotel Ashok here gave the southern region a tremendous boost. The new experience gained by India Tourism Development Corporation was resulted in the opening of international tourism and private enterprises, for instance building of hotels in the south and at other regions of the country.

In opening new destinations or strengthening the existing ones, ITDC has not looked to profits but to the socio-economic needs of development. Despite this development role, the corporation has been consistently making profits right from its inception.

Today, with nearly 4000 rooms, I.T.D.C. Ashok Group in India has the largest accommodation chain and the only one that provides tourist services through out the country. It operates Hotels, beach resort and traveller lodges all over India. This unique chain is backed by a nation - wide transporting system operating from most of the centres with the fleet of Airconditioned car and Coaches. A tax free shop has been opened at Ashok Hotel, New Delhi and a Duty Free Shop at Trivandrum Airport has been commissioned.

In massive programme for renovation and expansion of existing hotel is going hand in hand with the building of new properties. In the capital which has experienced hotel boom, thanks to the Asian Games, three new India Tourism Development Corporation Hotels came up namely the

Deluxe Samarat, Luxury Kanishka, revolutionary common man's hotel, Ashok Yatri Niwas. The Ashok Yatri Niwas or Janata Hotel as it was popularly called earlier, reflect India Tourism Development Corporation's determination to give domestic tourism its due importance. Modelled on Yatri Niwas two more similar low budget hotel are planned for Madras and Chandigarh.

Nine India Tourism Development Corporation Hotels with nearly 2500 rooms in deluxe and budget categories will greatly strengthen the capitals conventions facilities and help the country to tap this unexploited market.

Another major contribution for India Tourism Development Corporation has been the catering for 5000 athletes at the ^{Asian} Games and equipped with largest kitchen and dinning halls and which has received universal applause.

It is an impressive record of achievement no doubt, but is not enough to generate self complacency. Much bigger challenges lie ahead. The country has placed before itself the target of 2.5 million tourist by the end of 1990. The pace of developing the tourism infrastructure must therefore be faster I.T.D.C's plans are the integral part of the nations Five Year Plans.

For the Sixth Five Year Plan, I.T.D.C. projects are being dovetailed to the travel circuits strategy of the Ministry of Tourism. In these five years the Corporation

will, at a self-sustaining growth, fill in the important gaps like Bombay and Madras cities and provide one hotel in each state capital apart from opening new tourist destinations.

The Corporation has been allocated Rs.42 crores (420 million). I.T.D.C. would indeed like a bigger allocation. It has, however, launched on a new strategy to ensure the State Governments and even the private sector that a joint effort will on the one hand bring about faster development of tourism infrastructure even with limited resources at its disposal. It will make it easier for move Indian nationals to visit their own country. Happily this strategy has brought forth an enthusiastic response under this scheme. Hence Hotel and other infrastructure will be developed as a joint venture between, India Tourism Development Corporation, State Governments, State Tourism Corporations and Private Sector. The idea is to form a new company in each state with nearly equal equity participation. The scheme also provides for augmenting the resources only by way of loan from the financial institutions. This will enable the state agencies to involve themselves in a bigger way in tourism development which draws on expertise of corporations in planning, design, construction, management and marketing as well as in training their personnel. Indian Tourism Development Corporation would be happy to move on to new ventures as soon as the collaborating party

would feels confident to run these ventures by itself.

Already, agreement for joint venture has been signed with State Governments. In overseas joint venture I.T.D.C. is associated with two hotel projects in Iraq in Mosul, and Dokan in Cyprus at a time.

It has been suggested in some quarter that the ITDC should not venture abroad when there is so much to be done at home. It would be of interest to know that I.T.D.C. is not investing the country's scarce financial resources overseas, but only its expertise. Even the token of equity participating in the Limassel project barely Rs. 30 lakhs, will be recovered by way of consultancy fees and in foreign exchange. Not only that the equity will infact be paid for in goods and services to be exported to hotel. Thus, ITDC is now opening a new line of exports from our country. Besides, through the Corporation hotels overseas, promotion of tourism to India will be further strengthened. For example, the Limassol hotel which has been the name of lotus Ashok, will offer a specially Indian restaurant and promote the various cuisines of India.

For the last few years the ITDC has been turning the corner by having chain of hotels, and attracting more business resulting in higher turnover as well as profits. The I.T.D.C. took a series of steps to put its chain of hotels on sound business footings. The I.T.D.C.'s prospect are

positively growing with the major policy decision to boost tourist facilities in the country. The ITDC has, during the last two years, begun to move away from the obsession with foreign exchanges earning capability of its net work and pitching the marketing of its facilities to the high income tourist only.

There is a new awareness in the I.T.D.C. now i.e. the need to diversify the tourist group destination points from cultural heritage, circuit the palace of Rajasthan and the Taj Mahal. The I.T.D.C. is working as a supplementary organisation. Basically this organisation is meant for providing various types of services like hotels, catering, transport services etc. Wherever tourist industry wants to open new circuit for tourist point of view. It is I.T.D.C. which fulfills all the required facilities from tourism point of view. I.T.D.C. is standing on front foot to meet any type of development in the tourist industry. The India Tourism Development Corporation is the pioneer in each and every field.

India Tourism Development Corporation suffered from a handicap because of inadequate international linkage. This handicap would also be overcome consequent on arrangements being currently negotiated with Amsterdam - based Golden Tulips, one of the world's largest hotel chain.

FINANCIAL ANALYSIS:

At the time of establishment, the Corporation's authorised capital was only Rs. 5 crores. But after 18 years of service it has been increased to Rs. 60 crores which shows 12 times increase in the authorised capital. To counter and ensure financial viability, the corporation took a number of measures like restructuring and strengthening of the divisional set up, aggressive marketing, product improvement and cost control. These steps will certainly enable the I.T.D.C. not only to absorb the losses but also make profits on its overall operations. To highlight better contribution for the development of tourist industry, the table no. 4.1 summarises the financial position of the company's

The table No. 4.1 shows ten years financial statistics of I.T.D.C. 1975-84. It is apparent from this table that working capital and capital employed has been constantly increasing from Rs. 435.08 lakhs and Rs.1,529.70 lakhs in 1974-75 to Rs.1,706.08 lakhs and Rs.7,364.33 lakhs in 1983-84 respectively. In terms of percentages the increase of working capital was 392.13 per cent whereas it was 561.30 per cent in respect of capital employed. Likewise there was a gradual increase in the turnover as well from Rs.1,312.02 lakhs in 1974-75 to Rs. 5,094.57 lakhs in 1983-84 thereby showing an increased turnover of 388.29 per cent. The ten year turnover showed a good financial working of the corporation.

Table 4.1

TEN-YEAR FINANCIAL STATISTICS
1975-84

S.No.	PARTICULARS	(Rs. in lakhs)										% increases
		1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	
1	Equity capital (including share application money)	1191.84	1331.84	1381.84	1478.84	1713.84	2148.84	2498.84	3193.84	3815.84	4259.94	357.43
2	Reserve and Surplus	218.30	263.58	303.04	367.69	419.83	517.61	527.75	615.49	759.81	809.79	370.95
3	Net worth	1409.55	1592.01	1681.52	1844.03	2133.65	2514.63	2875.35	3662.03	4385.85	4836.81	343.15
4	Loans: From Government	633.91	686.43	630.09	615.38	732.10	1024.94	1193.48	1682.01	2040.32	2176.60	373.36
	From Financial Institutions	-	-	-	-	-	-	-	-	716.67	502.16	
5	Gross Block	1784.12	2360.98	2680.78	2972.12	3133.24	3485.94	3825.21	4087.20	7577.95	8251.42	462.49
6	Depreciation (cumulative)	639.50	781.00	931.75	1102.48	1277.85	1467.30	1668.31	1865.07	2211.80	2593.17	373.92
7	Net block	1094.62	1579.98	1749.03	1869.64	1855.39	2018.64	2156.90	2222.13	5366.15	5658.25	516.91
8	Current assets, loans and advances	800.15	839.05	937.29	1129.72	1733.99	2006.67	2527.26	3347.11	4205.41	4494.68	561.72
9	Current liabilities and provisions	365.07	354.63	463.94	636.26	900.93	1088.13	1538.10	2101.66	2654.93	2788.60	763.85
10	Working capital	435.08	484.42	473.45	493.46	833.06	918.54	989.16	1245.45	1350.48	1706.08	392.13
11	Capital employed	1529.70	2064.40	2222.48	2363.10	2688.45	2937.18	3146.05	3467.58	6716.63	7364.33	561.30
12	Turnover	1312.02	1503.47	1854.96	2195.31	2386.51	2587.82	3081.18	3687.77	4692.55	5094.57	388.29
13	Debt equity ratio	0.53:1	0.52:1	0.46:1	0.42:1	0.43:1	0.48:1	0.48:1	0.53:1	0.72:1	0.63:1	188.83
14	Profit before tax	73.44	59.97	132.52	192.36	223.35	185.52	198.61	314.25	181.64	55.73	-24.11
15	Tax liability	-	-	58.50	92.83	123.11	24.16	152.11	181.23	-19.92	5.75	
16	Profit after tax	73.44	59.97	74.02	99.53	100.24	161.36	46.50	133.02	201.56	49.98	21.95
17	Internal resources	195.54	219.58	257.71	352.19	359.08	367.49	451.49	680.57	509.79	356.27	182.19
18	Estimated foreign exchange earnings	660.00	700.00	800.00	920.00	1020.00	1100.00	1200.00	1610.00	1700.00	1800.00	272.72
19	Dividend	29.80	31.55	34.55	42.36	48.10	63.57	36.36	45.28	57.24	NA	192.08
20	Percentage of profit before tax to:-											
	(a) Turnover	5.60	3.99	7.14	8.76	9.36	7.17	6.45	8.52	3.87	1.09	
	(b) Capital employed	4.80	2.90	5.96	8.14	8.31	6.31	6.31	9.06	2.70	0.76	
	(c) Net worth	5.21	3.77	7.88	10.43	10.47	7.38	6.91	8.58	4.14	1.15	
	(d) Equity capital	6.16	4.50	9.59	13.03	13.03	8.63	7.95	9.84	4.76	1.31	
21	Percentage of profit after tax to:-											
	(a) Turnover	5.60	3.99	3.99	4.53	4.20	6.24	1.51	3.61	4.30	0.98	
	(b) Capital employed	4.80	2.90	3.33	4.21	3.73	5.49	1.48	3.84	3.00	0.68	
	(c) Net worth	5.21	3.77	4.40	5.40	4.70	6.42	1.62	3.63	4.60	1.03	
	(d) Equity capital	6.16	4.50	5.36	6.74	5.85	7.51	1.86	4.16	5.28	1.17	

Source: Nineteenth Annual Report, 1983-84, Indian Tourism Development Corporation Ltd.

The position of profit after tax was not very sound. It was subject to sharp fluctuations. It was Rs.201.56 lakhs (1974.45 %) during 1982-83 which was declared to Rs.49.98 lakhs (21.95 %) during 1983-84. The same position was witnessed during 1979-80 to 1980-81. It was Rs.161.36 lakhs (119.72 %) which was declined to Rs.46.50 lakhs (36.69 %) respectively. This steep fall in the profits may be attributed to political upheavals and instability of the Government. The peace and tranquility as well as the law and order position was deteriorating during Janata regime. But, however, the I.T.D.C. maintained its position as disclosed by its estimated foreign exchange earnings and dividends paid. The estimated foreign exchange earnings had been showing a rising trend right from 1974-75 to 1983-84. It was Rs.660.00 and Rs.700.00 lakhs in 1974-75 and 1975-76 which rose to Rs.1700.00 and Rs.1800.00 lakhs in 1982-83 and 1983-84, respectively. This sharp rise was 272.72 per cent as compared to the earning during 1974-75.

It was this regular rise in the foreign exchange earnings right from 1974-75 to 1982-83, which enable the corporation to declare regular dividend. There was also a rising trend maintained in the payment of dividend to its shareholders. It was Rs. 29.80 and 31.55 lakhs in 1974-75 and 1975-76 which rose to Rs. 48.10 and Rs. 63.57 lakhs in 1978-79 and 1979-80 respectively. But the dividend, however, showed

a declining trend as Rs. 36.36, Rs. 45.28 and Rs. 57.24 lakhs in 1980-81, 1981-82, and 1982-83 respectively. However, the overall financial position is quite satisfactory. But in view of its heavy investments, the return on investment is not upto the mark. This may be due to the improvement in the quality of services rendered to the tourists and money spent in the development of tourist infrastructure for the amenities and comforts of the tourists.

Approved plan out-lay, budgetary support received from the Government and utilization of funds are given in table No. 4.2

Table No. 4.2

BUDGETORY ALLOCATION : 1980-81 - 1984-85

Year	Annual Plan	Budgetary Support	Utilization of Funds	Percent Utilisation
1980-81	760.00	700.00	763.00	108.03
1981-82	1,450.00	1,390.00	1,330.00	91.72
1982-83	1,344.00	1,244.00	1,175.00	87.45
1983-84	1,150.00	800.20	795.00	69.13
1984-85	800.00	420.00	--	--

Excluding Rs. 7.13 crores from financial institution.

Source: Annual Report 1984-85, Department of Tourism, p. 7

According to the above table No. 4.2 government had allocated a handsome amount in 1982-83 but in 1984- the Annual Plan was given only Rs. 1,150.00 lakhs, the budgetary

support was of the order of only Rs. 888.20 lakhs, and utilisation of funds was 69.13 per cent only. The same downward position we found in 1984-85. Annual Plan allotted Rs. 800 lakhs, and budgetary allocation was that of Rs.420 lakhs only.

The Annual Plan outlay from internal sources, the budgetary support from the Government during the year for 1984-85 and 1985-86 are tabulated in 4.3 table .

Table No. 4.3

ANNUAL PLAN OUTLAY : 1980-81 - 1985-86

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Profit (After tax)	46.50	133.02	201.56	49.30	145.30	392.15
Dividend for the year	36.36	45.28	57.24	--	69.90	107.95
Retained Profit	10.14	87.74	144.32	49.98	75.40	224.20
Provision Depreciation	216.4	231.01	386.08	488.28	501.97	539.08
Total Internal Reserve	226.28	318.75	544.03	539.86	810.03	1017.48
Annual Plan outlay	760.00	1450.00	1361.00	1150.00	900.00	800.00
Budgetary Support	700.00	1390.00	1261.00	1050.00	800.00	675.00

Before repayment of loans and non-plan capital expenditure

Source: India Tourism Development Corporation, Annual Report : 1985-86.

According to the table no. 4.3 profits after tax shows considerable increase from Rs. 46.50 lakhs in 1980 to Rs.392.15 lakhs in 1985. Dividends were paid regularly from 1980-81 to 1982-83 except in 1983-84 due to increase in the number and in the amount of depreciation. The company contributed a fair amount towards Annual Plans and the same was allocated by the Government to the corporation.

The approved plan outlay for 1985-86 fixed on Rs.8.00 crores with a budgetary support component of Rs.6.75 crores. The outlay is proposed to be utilised as follows:

<u>Name of Scheme</u>	<u>Rs. in lakhs</u>
<u>A. Continuing Scheme</u>	
1. Hotel Kanishka, New Delhi	32.00
2. Hotel Samarat	18.00
3. Ashok Yatri Niwas, New Delhi	15.00
4. Hotel at Agra	60.00
5. Hotel at Gulmarg	100.00
6. Hotel Expansion at Kalinga & Bhubaneswar	50.00
7. Traveller Lodge Expansion at Bodhgaya	100.00
	<hr/> 375.00
<u>B. Expansion Scheme</u>	25.00
<u>C. Joint Venture Scheme:</u>	
1. Additional Equity/loan to joint venture project	40.00
2. Hotel at Chandigarh	40.00
3. Hotel at Madras	20.00
	<hr/> 100.00
<u>D. Transport (Ashok Travel & Tours)</u>	100.00
<u>E. Addition/Alteration/Improvements</u>	170.00
<u>F. Miscellaneous Schemes</u>	30.00
	<hr/>
Total A to F	800.00
	<hr/>

The unit-wise financial position of ITDC as shown in the table No. 4.4 which is slightly better in comparison to tourist organisation of other countries. It is apparent from this table that the management has taken timely decision in keeping the financial results at par. It is in this context that the division-wise/unit-wise financial results of ITDC are given in table No. 4.4.

According to table no. 4.4 unit-wise financial result of each unit has been tabulated for Five Years from 1979-80 to 1983-84 in order to make a detailed assessment of the financial soundness of the corporation. For instance, the total turnovers of all the six units shows a market increase in the sale from Rs.2587.82 lakhs in 1979-80 to Rs.5094.57 lakhs in 1983-84. Likewise the total foreign exchange earned by these units collectively was Rs. 537.67 lakhs in 1981-82 and the same was increased to Rs.1204.58 lakhs in 1983-84. It was undoubtedly a unique joint financial contribution of these units which gave financial strength and stability for the corporation. Similarly the total operating profit and loss of the units showed a steep rise from Rs.609.17 lakhs in 1981-82 to Rs. 1130.85 lakhs in 1983-84. The total capital employed by these units showed an increasing trend from Rs. 2937.18 lakhs in 1979-80 to Rs. 3146.05 lakhs in 1980-81, Rs.3467.58 lakhs in 1981-82, in 1982-83 Rs. 6716.63 lakhs and in 1983-84 Rs. 7364.33 lakhs. When we make a comparative analysis we find that the total of capital employed by

TABLE 4.4

UNITWISE FINANCIAL RESULT DURING 1979-80 TO 1983-84

(Rs. in Lakhs)

S.No.	UNIT	TURNOVER				FOREIGN EXCHANGE				OPERATING PROFIT & LOSS				CAPITAL EMPLOYED				RATE OF RETURN			
		1979-80	1980-81	1981-82	1982-83	1983-84	1979-80	1980-81	1981-82	1982-83	1983-84	1979-80	1980-81	1981-82	1982-83	1983-84	1979-80	1980-81	1981-82	1982-83	1983-84
1	Hotel Division	2079.25	2490.90	2816.23	3568.47	3802.95	386.19	456.42	519.31	560.92	632.32	512.84	578.79	722.48	804.24	763.16	2252.51	2358.06	2077.48	5099.96	5528.11
2	Production Publicity	85.31	98.18	124.12	111.91	121.94	-	-	-	-	-	6.82	9.36	11.57	13.68	10.52	-	8.73	-	23.34	-
3	Transport/Ashok Travel and Tours	250.70	287.68	320.95	527.21	540.72	-	-	-	6.40	-	25.74	25.45	35.78	75.34	112.11	-198.00	209.22	230.74	669.79	541.60
4	Duty Free Shop	151.38	164.82	306.24	416.92	502.25	150.88	162.80	300.25	397.32	495.51	51.87	50.64	102.96	153.69	199.47	91.30	66.89	180.00	171.22	175.15
5	Sel Red Fort	8.65	8.12	9.34	9.28	9.80	-	-	-	-	-	5.45	4.05	5.25	4.62	6.14	6.52	5.31	4.81	4.16	4.44
6	Head Quarters	12.53	31.48	110.89	58.76	116.90	0.60	15.92	84.35	30.30	76.75	6.45	19.31	10.01	14.18	45.45	397.58	533.45	997.89	847.91	1191.33
TOTAL		2587.82	3081.18	3687.77	4692.55	5094.57	537.67	635.14	903.91	994.94	1204.58	609.17	696.60	888.05	1065.75	1136.85	2937.18	3146.05	3467.58	6716.63	7364.33
																	6.03	6.03	9.01	2.07	0.08

Source: ITDC Annual Reports : 1979-80, 1983-84.

these units with that of the totals of profits earned are not properly responding. The return on the totals of capital employed comes to 0.8 per cent, which is meagre if not very good. The aim of the ITDC is not to earn colossal profits. Since it is a public undertaking its main purpose is service motive rather than making heavy gains at the cost of disservice to the nation.

THE ASHOK GROUP:

Although Kanishka, is not as famous to 'Non Historian' as his predecessor, Ashok. It is uncanny, how much the two monarchs have in common. Both were the greatest sovereigns of their dynasties. Kanishka had its origin of the Kushan dynasty in 78 A.D., whereas Ashok belongs to the Mourya dynasty, the 2nd century B.C., Ashok and Kanishka both extended their vast kingdom. One in the south and the other in the North. Both were converted to Buddhism and built stupas and viharas. Ashok, however, renounced war and turned to religion, Kanishka remained a great warrior and a patron of Arts.

Among India Tourism Development Corporation's (ITDC's) hotel chain, the Ashok group, was a tribute to Emperor Ashok whereas the Kanishka, the newest hotel, was named after Emperor Kanishka. Its luxurious interior were reminiscent of the emblem of a bygone age while its Art centre would no doubt have delighted this patron of Arts.

India Tourism Development Corporation is proud of its 26 years old monarch. Ashok hotel, New Delhi, the grand old man of the Ashok Group is 26 and "very starry eyed". Ashok has reason enough to facilities for a six language translation in the same way as service, evenings unfold the different cultures of India.

Today, the Ashoka is India's great Hotel, a glorious blent of royal comfort and twentieth century efficiency. An inspiration from one ancient belief that we honour our gods when we honour our guest. You will find it in the lavish courtesy of the durbani in the smile of fell-boy call it old world charm, reflecting emperor Ashok's world of 2000 years ago, or simply call it Indian hospitality.

But side by side with the traditional hospitality and welcome, Ashok Group offers guest the care and comfort of modern-times. Excellent hotels, designed to international standards make the travellers stay a pleasure. More accommodation at popular tourist spots welcome more visitors.

The Ashok Group is India's largest hotel and travel organisation, which has set highest standards of services, cuisine and extended gracious Indian hospitality.

The Ashok group is also India's largest chain of hotels and the country's most versatile and wideranging organisation. It is closely identified with the development of India's tourism, promoting travel to India, building up touristic infrastructure, setting high standards of services,

comforts and serving, as a catalyst for the growth of industry on every part of the country.

The growth of Ashok group is almost synonymous with the growth of India Tourism. It has kept pace with the increase of travel and tourism in the country. At the same time, it has given the industry a tremendous boost by opening up unexplored tourist areas and creating facilities in remote tourist regions. It is the only organisation which provides a complete net work of cars, coaches and conventions facilities. Choose Ashok at 40 locations with perfect take off point at every location to key tourist areas all over India.

For super luxury palace hotel or adventure come to Ashoka on a budget at our foreign resorts. Get more India for your money.

The Ashok Group of India Tourism Development Corporation was born on 1st October, 1956 in New Delhi. In all over India, Ashok Group operates 24 hotels. Foremost among these is the stately Ashok Hotel. The total number of rooms and beds and their full details 1979-80 to 1983-84 are given in the table no. 4.5

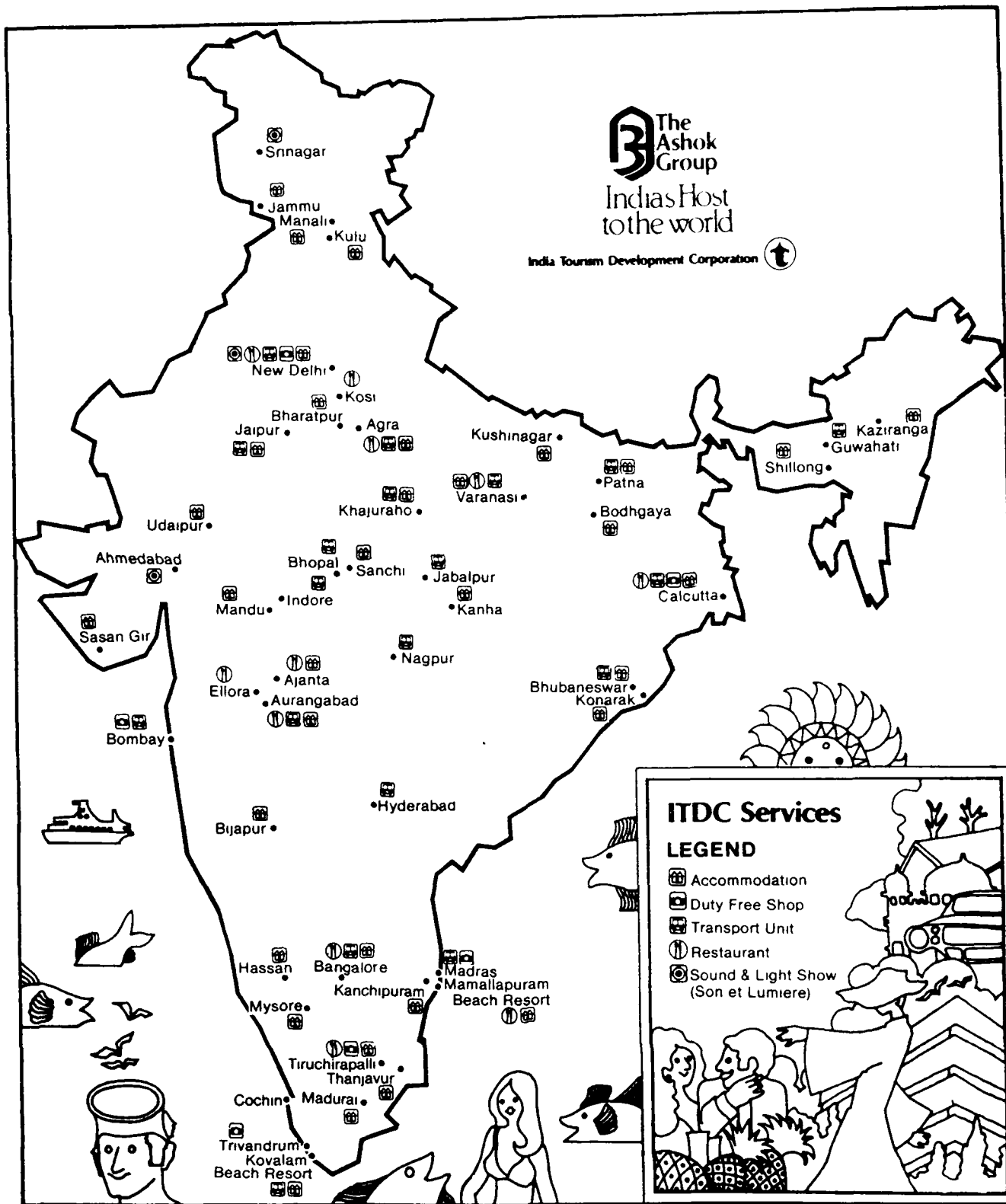


Table No. 4.5

ASHOK HOTEL ACCOMMODATION DURING
1979-80 to 1983-84

N o	Particulars	1980		1981		1982		1983		1984	
		Room	Bed	Room	Bed	Room	Bed	Room	Bed	Room	Bed
1.	Five Star	1479	2760	1531	2864	1527	2860	1706	3229	1758	3333
2.	Four Star	330	568	330	568	365	653	642	1216	711	1354
3.	Three Star	748	1183	796	1289	802	1292	681	1057	606	907
4.	Two Star	-	-	-	-	-	-	455	983	563	1209
5.	One Star	-	-	-	-	-	-	-	-	40	80
Total		2557	4521	2657	4721	2694	4805	3484	6485	3678	6883

Source: Annual Report, published by India Tourism Development Corporation, 1984-85.

The above table no. 4.5 indicates that India Tourism Development Corporation Ashok Group has healthy increase in room and bed capacity. Total room provided in 1980-81 was 2557 which rose to 3678 in 1984-85. The number of bed was 4521 in 1980 which rose to 6883 in 1984-85. These rooms and beds provided in different star category hotels on the approved list of the department of Tourism.

Ashok Group is the unique chain of hotels in public sector which readily fulfills the requirements of tourists facilities. In 1983-84 the all over India capacity of rooms was nearly 3678 and beds 6883 respectively as table No. 4.5, clearly shows.

Region wise Break-up of Hotels:

In Northern India alone India Tourism Development Corporation has 12 hotels under Ashok Group in which 9 hotels are situated

in Delhi, and one each in Varanasi, Khajuraho and Jammu. They are well placed to cover all the major places of tourist interest in this region.

Ashok, Samarat, Akbar, Qutab, Janpath, Kanishka, Ashok Yatri Niwas, Lodhi and Ranjit Hotel are the very names for which the historical capital city Delhi is always proud of. Today, it is meeting point for the people who represent varied cultures of the world. For this reason Delhi is called the convention capital of Asia largely due to the reassuring presence of the Ashok Group, which offers over 2500 rooms, more than 30 restaurants and bars.

From hotel Ashok of Varanasi, tourists can explore Varanasi, the holy place of Hindus, by hiring a coach. The same services can be utilized for going to Khajuraho, where hotel Ashok of Khajuraho reminds of the thousands years old Khajuraho temples. Perched on a hill over looking the Tawi Valley, Hotel Jammu Ashok is a convenient base for excursion to the beautiful Valley of Kashmir.

In Western India there are three Ashok Group hotels. They are situated at Jaipur, Udaipur and Aurangabad. At Agra, the city of the Taj Mahal, one Ashok Group Hotel is coming up. The pink city of Jaipur forms the golden triangular, a popular travel circuit of undiminished appeal. Udaipur, another colourful city of Rajasthan, is a land of Chivalrous men and bewitching women. Aurangabad, situated in the heart of Maharashtra, is on the same travel-circuit.

mystery and beauty of the orient. The Ashoka owned hotel here - at Patna, Calcutta and Bhubaneshwar which are suitable portals to a discovery of the orients. Patna is the land of antiquity and the base for a pilgrims tours covering Buddhist. Calcutta is the ideal gateway to the east, being a major sea port and an international air terminus. At Bhubaneshwar stand magnificent temples. The city is also an excursion base for the sun temple at Konark and Chilka lake bird sanctuary. The eastern region, according to the ITDC, has enormous tourist potential, but so far series of effort has been made to exploit it in a systematic manner.⁸

Ashok Group of hotels have not only built their image for domestic tourism but also for international level as well. It has built four Yatri Niwas hotels in the Metropolitan cities like Delhi, Bombay, Calcutta and Madras. The Ashok Group of hotels are also meant for low budget travellers.

Quite recently the Ashok Group has been nominated official Hoteliers and caters for the Asian Games Village. This Group had provided 1700 Hotel rooms for Asiad delegates. With the 5000 delegates staying at the village, the group had also arranged for the largest kitchen ever provided in the country earlier.

8. Financial Express Nov., 2, 1982, p. 6.

India Tourism Development Corporation signed a marketing and management contract for a hotel in Kathmandu. This contract, with Jaya International of Nepal and in collaboration with Mistsui of Japan, gives ITDC the responsibility of managing the Himalaya Ashok, 4 Star, hundred-room hotel on the banks of the river Bagamati in Kathmandu. The hotel is running well since July, 1985.⁹

The Ashok Cool Pools:

Another great contribution in the field of tourism made by Ashok Group Hotel is the provision of swimming pool facilities for their members. Sparkling waters by valvet grass lawns, chilled drinks, crunchy snacks, diving board are easily accessible to them. Members are also given the option to use the seven pools exclusively all the summer. Take the family to Ashok Cool Pools and say goodbye to the heat.

Ashok hotel has a sprawling, mango shaped pool which will acquire fresh look soon. The new look will have a different flooring and tiles, a green land scaped, and a refreshment counter. Admission to the pool here is restricted as it is primarily meant for the exclusive use of resident guests. However, limited number of non-resident member is allowed to use the pool.

9. Travel India Briefings, A News letter of the Department of Tourism, Government of India, August, 1985, p. 1.

The Outab Hotel can boast of a unique all weather swimming pool that can be used round the year. During Delhi, winter days, this pool offers an invigo, rating swimming in its heated waters.

The pool at Ranjit Hotel is relatively smaller but exclusive. The Lodhi Hotel has the newest pool that was built three years ago. Membership to the pool is open. Hotel Kanishka and Samarat, also offer family bargain to their member. One must say that Ashok Group which has started the seasonal discount offer not up to Delhi. Facility Hotel/should also be extended to other hotels in India. By doing so, Ashok pools, can give good business to the Ashok Hotels.

Traveller Lodges:

In 1969, India Tourism Development Corporation took over the management of the traveller lodges in remote destination all over the country. These travellers lodge provide neat, clean and simple accommodation at resonable rates. The rooms have attached bath with hot and cold water running. There are other facilities and postal services, room services and at some places bar and c ar rentals. The detailed account of these travellers lodges is summarised

DETAILS OF TRAVELLER LODGES

SNo.	Name of Unit	Star Ranking	Room	Beds
1.	Kushinagar	1	8	22
2.	Bodhgaya	1	12	30
3.	Tirucharapli	1	4	10
4.	Thanjavur	1	4	8
5.	Konarak	1	4	14
6.	Kancheapuram	1	3	7
7.	Kulu	1	6	22
8.	Bijapur	1	4	10
9.	Manali	1	10	30
Total			55	153

Source: Civil & Tourism Administration in India Edited by Ram & Acharya. p. 192, published by

It is clear from the study of above Travellers Lodges that India Tourism Development Corporation, has adequate accommodation facility for tourist in deep rooted tourist places. The total rooms numbering 55 and beds 153 are sufficient enough for staying tourists.

Restaurant & Catering Services:

India Tourism Development Corporation provides restaurant and catering facilities to the foreign and domestic tourists at different important tourist places. The following is the details of services provided by restaurant and catering units.

RESTAURANT SERVICES:

- i) Qutab, New Delhi.
- ii) Mahmallapuram
- iii) Taj Agra
- iv) Hampi
- v) Bangalore Airport
- vi) Varanasi
- vii) Calcutta.

Catering Services:

- i) Vigan Bhawan
- ii) Western Court
- iii) Asian Games Village.

Admittedly the ITDC has done commendable job in the field of restaurant and catering services. The same facilities should also be provided at other tourist spots as well.

To sum up one has reason to believe that the Ashok Group is India's largest accommodation chain and the only one that provides tourist services throughout India. The unique accommodation chain is backed and coordinated by a nation wide transport system operating from most of the service centres and covering almost every part of the country. New Hotels, provide more luxurious rooms, swimming pool and restaurants. At Airports, Centrally air conditioned and modernised older hotels have added facilities for tourist enjoyment. Setting up new enterprises, opening new destinations and bringing the source of the Ashok Group to the travellers at home and to those from abroad are the sterling

services performed by this Group. As discussed earlier that 2.5 million tourists are expected to come to India by current decade. To meet their requirements the Ashok Group has to stand on front-foot to fulfill the promises made to them through planned advertising campaign in travel trade journals and editorial coverage in foreign media etc.

The future of Ashok is very promising. As the Government has started building 58 travel circuits, and the requirement of every circuit, right from drinking water, sewerage line, parks, restaurants, transport facilities, hotel etc. is to be met by Ashok, the only hotel chain in public sector that can provide adequately all the above mentioned facilities for the opening of a new circuit.

CONFERENCES AND CONVENTIONS:

A hundred **years** from now when the historian poured over the newsprint of our times, they might well decide to call ours the era of conferences and conventions. What better destination that India can not only speak your mind but also indulge your heart and appease your sound.

India: A meeting ground of kings, emperors, conquerors, traders, soldiers, scholars and statesmen.

India: A place ideally suited for long careful deliberations in the unbroken trader of its Philosopher.

India: Today is the 'M' venue for a conference and where the east and west can conveniently meet to shake hands and join their heads on subject of international interest.

And, ITDC as the largest hotel chain in India has the necessary infrastructure to offer all the facilities for such meetings - with a difference. In its conference hall every modern facility is instantly available to ensure that meeting is conducted smoothly.

A conference or convention at ITDC is an adventure of the mind in more ways than one. As one goes puts. "The same conference held at another venue in India next year could become an entirely different affair - another discovery of India". This is ITDC's idea of business with pleasure.

In keeping with this philosophy after a busy day of speeches and discussions when the sun goes down on a long arduous day, outside an exciting Indian experience lies in organised wait to provide leisure and entertainment to the delegates, courtesy ITDC.

Ashok Convention Hall:

The first international conference ever to be held in India was that of UNESCO in 1956, for which the Ashok Hotel was built. The famous convention Hall, however, came into being in 1968.

This chandeliered hall with its grand dimension of 52 by 32 metres and a safety seating arrangement for 2500 takes pride of place among India's prestigious convention Hall.¹⁰

10. India Brochure Produced and Published by ITDC, New Delhi, 1977, p. 16.

The Ashok convention hall is used by national and international organisations where historical events are discussed and debated upon. To mention a few one Asia Assembly, IBM Sixth World Earth Quake Engineering Conference, ESEAP, PATA, INTERNATIONAL TEXTILE CORPORATION, INTERNATIONAL FILM FESTIVAL, CONVENTION ON NUCLEAR MEDICINE, UNIDO, UNDP, International Dairy Congress Non-aligned Conference, ICFTU, IOC the latest cities etc.

Flanked by committee rooms, cocktail lounges, banquet halls and display areas, the Ashok convention Hall is well geared to take care of ground inauguration which remain etched moderately on the minds of all present.

The Hall is well set and equipped with a full battery of modern facilities like audio visual equipment, special lighting effect, multiple screen projection, adjustable stage, simultaneous translation in several languages and booth for media coverage at hand are all the support systems like the bank, telex, telegraph and long distance communication.

Beside the venue of other services ITDC offers a package deal of a conference secretarial which assumes complete responsibility for reception, photo stating, xeroxing, typing in various United Nation Languages and a multitude of services provided to relieve the convener of all the detail. Specialised services like medical attention, security arrangement, liaison with government department, if necessary are also

handled by ITDC on request.

A visitor to the capital hears the history of seven royal cities of Delhi. ITDC has added an eight city of conference and convention halls for the intellectual adventure. Infact ITDC Delhi offers an array of halls of varying sizes at all its properties in Delhi, like Akbar, the Qutab, the Lodhi Hotel. The Ranjit and centrally located Janpath are shortly to be on the elite list are facilities hall at Ashok Twin Complex and The Samarat.

Vigyan Bhawan is yet another popular meeting place. The elegant complex built, in New Delhi exclusively for conference and convention, stands unattended by hotel. From endless corridors there stands the plenary hall that seats over 1000 delegates. The public gallery over looking this hall has over 400 seats and the dias can seat 40 dignitaries.

In addition, there are two commission room in the Vigyan Bhawan that can accommodate meeting of 400. For smaller gathering of 80-150, there are a few committee rooms. Facility is also provided both in the planery Hall and other select areas for simultaneous translation of six to eight languages.

Pleasure Attraction:

The capital city Delhi stands on the route of most international airlines, as a result of which meetings and

conferences are frequently held here. The time of the delegates is well spent as the capital offers many attractions like sight seeing, garmentfare, bargain shopping, art galleries and cultural programmes. The delegates turned tourist can count on traditional hospitality every where because it is an old Indian thought that a visitor is to be treated as an honoured guest.

India is also an ideal destination for delegates wives. The kind of experience to be had here are more precious when they are shared. When delegates are busy there is never a dull moment for their spouses. ITDC skilfully keeps them engaged by programming fashion shows, exhibition of handicrafts, cultural events, visits to festivals and films, glimpses of weaving and ceramic centre for which charifEUR driven are available.

Regal Setting:

Finally, while talking of convention and conference, a special mention has to be made of the palace facilities offered by ITDC. The Laxmi Villas Palace Hotel at Udaipur is perched as top of a hill over looking fateh Sagar lake. The inside of this old palace is all mirror, mosanic and marble. The city of Udaipur is famous for its **mountain**, lakes side beauty and stories of blood spilling Rajput Chivalary. Another ancient palace is the Lalitha Mahal Palace Hotel of Mysore an opulent relic of Dradian history. Mysore is a city

of parks and gardens and exhilarating simple of quiet beauty of south India. Here delegates can live up in royal style.

It is an acknowledged fact that in the pressure syndrome of today's, conferences and conventions, there is much need to provide a dash of relief and snatches of leisure. A successful conference must have the illusion of a working holiday - when the reams of documentation is someone else's headache, when organisational details are left free to grapple with only the intellectual.

So, come speak your mind in India. And don't be surprised if you have so much more to say even after the conference or convention. The government should take wide steps for the organisation of more and more conference/convention. They should be given due publicity both, in abroad and India. The corporation is now handling conference directly. The ITDC must be introduced additional conference service when India has a lot of conferences and Banquet facilities, government must invite travel writers, regularly for strengthening contacts overseas. Non-aligned conference is the example that India can host any type of conference.

ASHOK TRAVEL AND TOURS TRANSPORT DIVISION:

To utilise the services of transport division in a profitable way, it has been merged with the travel agency wing (ATT) in 1983. The restructured division has been renamed as "Ashok Travel & Tour (ATT)". There are presently

18 Ashok Travel and Tours units spread all over the country. ITDC has set new standard for the travel and tours by providing their drivers and other workers proper uniform and training in dealing with foreign visitors. The staff can speak english. The standards set by the ITDC are now being gradually followed by other private tour operators and transporters.

Recently Ashok Travel and Tours units at Khajuraho and Nagpur have been closed from 30 sept., 1983. One new Ashok Travels and Tours unit was opened at Gwalior from October, 6, 1983. With phasing out of old and superannuated vehicle during the year, the active fleet strength has decreased from 329 to 253 vehicles as is apparent from the table No. 4.6.

Table No. 4.6

FLEET STRENGTH OF I.T.D.C.

Name of Unit	Luxury Car	Ambassador Car	Video Choaches	Mini Coaches	Total
Delhi	24	29	9	-	62
Jaipur	1	8	1	-	10
Patna	1	9	-	-	10
Madras	8	8	8	-	24
Aurangabad	1	2	2	-	5
Hyderabad	3	3	4	-	10
Agra	-	5	1	1	7
Bangalore	8	2	7	-	17
Bombay	21	8	4	-	33
Kovalam	-	7	-	-	7
Calcutta	5	5	2	-	12
Varanasi	2	7	1	-	10
Bubaneswar	-	5	-	-	5
Indore	-	2	3	-	5
Jabalpur	-	6	-	1	7
Guwahati	-	6	-	1	7
Bhopal	2	8	2	2	14
Gwalior	-	6	1	1	8

The above table no. 4.6 shows that Delhi has a big share of luxury Car 24, Ambassador Car 29, Big Coaches 9 totalling in all 62. The second position is occupied by Bombay with 33 vehicles of all types. Next is Madras with 24.

According to above table no. 4.6 the total number of vehicles under ITDC is 253 comprising 126 Ambassador Cars, 76 Mercedes Benz Cars, 45 luxury coaches, 6 mini coaches or Matador vans. Besides, coach and car hiring facilities at New Delhi is easily available, ITDC's Ashok Travel and Tours have their active fleet units at places like Jaipur Patna, Madras, Aurangabad, Hyderabad, Agra Bangalore, Bombay, Kovalon, Calcutta, Varanasi, Bhubaneshwar, Indore, Jabalpur, Guhati, Bhopal and Gwalior.

At the time of Asiad, ITDC has imported 65 white Mercedes. These imported limousines were put at the disposal of VIP's in addition to several hundred Ambassador Cars that were hired temporarily from State Trading Corporations.

In spite of several difficulties Ashok Travel and Tours Divisional turnover was increased from Rs. 527.21 lakhs in 1982-83 to Rs. 540.72 lakhs in 1983-84. The tightening of credit policy improved marketing of vehicle by Ashok Travel and Tours Units and reduced the operating costs which helped the division to increase operating profit from Rs. 75.34 lakhs in 1982-83 to Rs. 112.11 lakhs in 1983-84. The loss

before tax in 1983-84 is Rs. 26.80 lakhs as against Rs.55.52 lakh in 1982-83.

Lastly it may be concluded that ITDC has rendered pioneering services in the field of travel and tours. It has served usefull purpose by improving the standards of tourist transport all over the country.¹¹ ITDC took great risk by starting units at places where they were not profitably run. For instance Ashok Travel and Tours unit set up at Patna to serve the Buddhist Pilgrimage complex in Bihar and U.P. and at Kovalam to meet the local requirements was put to losses.

ITDC AND ITS MULTIFACED ACTIVITIES:

The ITDC also undertakes the responsibility of performing multifaced activities in addition to its usual work.

Duty Free Shop, Sound and Light Show, publicity, Entertainment and Youth Exposure to heritage are the main activities. There are reasons to believe that these multifaced activities of ITDC have earned multi-million rupees and this earning has been rising for the last four years. Quite recently the Asian Games and Non-Aligned Conference held in India have further multiplied its earning by coordinating these activities in a nice manner.

After a tiring day in conference/convention participating in games, a tourist needs a change. He goes for

11. "Successful Tourism Planning and Management" Seth Pran Nath, published by Cross Section Publication, Delhi, p.186

shopping, enjoys entertaining shows in the hotels and live shows in the city. Keeping in view the sterling multifaced services rendered by India Tourism Development Corporation the Government is taking wide step to provide loans for every multifaced activities.

Undoubtedly during the period when Asiad 82 and Non-Aligned Conference were held, India Tourism Development Corporation opened new Duty Free Shop in Akbar, Palam Airport and organised daily extra sound and Light shows in the memory of Pt. Jawaharlal Nehru in Teen Murti Bhawan. Live Shows were also arranged for the entertainment of tourist.

Duty Free and Tax Free Shops:

India Tourism Development Corporation offers variety of hand made domestic products namely Indian Handlooms, Handicrafts and antiques of guaranteed quality to the foreign tourist at the reasonable price. ITDC's first Duty Free Shop was opened in 1st September, 1967 at Delhi Airport. The second shop was opened on 15th May, 1968 at Calcutta Airport. Two shops were opened in 1969 on 5th January and 19th December at Bombay and Madras Airport respectively. Fifth Duty Free Shop was established in 1978 at Trichy Airport.

In 1981, ITDC started Tax Free Shop at Ashok Hotel, New Delhi and one duty shop was established in Trivandrum. These duty and tax free shops display famous brands of

perfumes, cosmetics, cigarettes, liquor, electronic goods etc. at competitive prices. It has been set up with the twin objective of meeting the requirements of bonded stores (liquor, cigarettes and food stuffs) of diplomatic community and as an advance booking counter for goods to be delivered to the passengers when they leave the country from Airports.

Keeping in view the need for providing duty free shop facilities for incoming passengers, the corporation has been permitted in June 1983, to establish duty free shop at the arrival lounges of Delhi, Bombay, Calcutta and Madras Airport. The same have been commissioned now.

With the expansion of the area of duty free shop operation through opening of arrival lounges shop at Delhi, Bombay, Calcutta and Madras Airports, the diversification range of the products, the introduction of advance booking for guaranteed delivery of products and effective display and promotion of products on the shelves was the regular feature.

Further as a strategy India Tourism Development Corporation will price the products at the proposed incoming shops at very competitive rates provided it does not charge very high rent.

The shop wise turnover and profit of six duty free shops and one tax free shop for the period of five year have been shown in the table no. 4.7.

Table No. 4.7

SHOP-WISE FINANCIAL POSITION 1979-80 to 1983-84

SNO. Particulars	(Rs. in lakhs)											
	1979-80			1980-81			1981-82			1982-83		
	Turn Over	Net Profit Before Tax	Turn Over	Net Profit Before Tax	Turn Over	Net Profit Before Tax	Turn Over	Net Profit Before Tax	Turn Over	Net Profit Before Tax	Turn Over	Net Profit Before Tax
1. Delhi			87.69	21.82	122.47	42.45	157.26	45.74	172.18	57.28		
2. Bombay			46.93	11.75	112.46	30.20	162.86	44.69	232.93	86.84		
3. Calcutta			22.72	5.59	39.92	11.26	39.47	17.26	49.55	10.23		
4. Madras			7.06	1.28	14.49	1.85	14.83	- 0.38	12.75	3.66		
5. Trivandrum							2.73	1.12	1.75	0.40		
6.			0.42	-	0.63	- 0.06	0.52	0.06	0.36	0.04		
7. Tax Free Shop (Delhi)				-	16.27	0.93	39.25	10.98	32.74	8.07		
Total	151.38	43.11	164.82	40.44	306.24	86.63	416.92	119.47	502.26	166.52		

Source: Annual Report, India Tourism Development Corporation.

According to the above table performance of the duty free shops during last five years is encouraging. The turnover increased from Rs. 151.38 lakhs in 1979-80 to 502.26 lakhs in 1983-84 representing increase (three times). The net profit increased from Rs.43.11 lakhs in 1979-80 to Rs. 166.53 lakhs in 1983-84. This India Tourism Development Corporation is now arranging the supply of bounded liquor to Indian Airlines, shipping Corporation of India and various hotels in the private sector. As the requirements are pooled and bulk purchases are made, it is possible to offer competitive prices to these undertakings.

Last year the business of duty free shop under ITDC was up-graded and given a new name (International Product Sales) and put under the charge of Vice President. Since Indians going abroad spend well over half their foreign exchange on shopping, ITDC decided to widen the product range to its duty free shops to watch those dollar that would be spent in India itself.

The product range of the shops is "need oriented". They stock the items which Indian prefer to buy when they come from abroad especially Japanese and German made Electronic goods, home appliances, liquor, chocolates, cigarettes and chiffens among others. In the last six month Pearly 200 new items were added and another plan to set up boutiques, selling fashion garments made of Indian fabric.

It is, however, clear that the profits of the duty free shops compensate the losses made by massive hotels division and the corporation's in house travel and tours. The duty free shops expected Net Profit of Rs. 1.75 crores in 1984-85, in comparison to the expected net profit of Rs. 1.50 crores of the corporation as a whole. It clearly means that if the total net profit of other divisions is put together the ITDC stands to lose about Rs. 25 lakhs.

Sound and Light Show:

India Tourism Development Corporation has done pioneering work by planning and producing world famous sonet-lumiere spectacles which bring alive India's history and cultural heritage, every evening. It is stated that 1,30,000 people every year used to see sound and light show at Red Fort. ITDC sonet-lumiere have built image of international standard.

The sound and light show at Sabarmati Ashram, Ahmedabad, and Shalimar gardens, Srinagar continue to be popular with the tourists. Both the shows are being run by the Corporation on behalf of the Department of Tourism.

The Department of Tourism Commissioned the services of India Tourism Development Corporation to mount a sound and light show on 'Ramayana' at Buxar in Bihar. The work on the project is almost complete.

The profits of the sound and light show at Red Fort Delhi declined to Rs. 3.46 lakhs during the year as against Rs. 4.13 lakhs in the previous year due to decline in the number of visitors from 2.40 lakhs in 1981-82 to 2.35 lakhs in 1982-83.

Entertainment:

India Tourism Development Corporation had done remarkable job in the field of tourism entertainment. The corporation continued its endeavour to provide glimpse of Indian cultural and heritage by organising special programme for distinguished and VIPs. Several culture shows, folk dances, Indian music etc., were organised during international conference and convention held this year which won the praises of the dignitaries.

In collaboration with equatorial hotel, the Department of Tourism and Air India, the ITDC had organised an Indian food-cum cultural festival at Kaulalumpur from May 19, 1983. In response to popular demand, the festival was extended upto 22nd May, 1983.

The Festival and the cultural presentation made on the occasion of featuring 'Brides of India' and 'Dances of India' were received in high esteem. The festival received extensive press publicity and T.V. coverage.

At the time of Asian Games the India Tourism Development Corporation's cultural entertainment wing has organised

a series of dance recital and theatre presentation and pageants at Kamani Auditorium at various restaurant which gained popularity.

Production and Publicity:

Recognising the early need for tourism publicity materials for publicizing in India and abroad, the ITDC had set up its Production and Publicity Wing in 1966. This wing has made earnest efforts to raise the quality of publicity material about India to international standards of excellence, reputed designers, writers, film makers and other specialists have been enlisted.¹² The range of material now includes brochures, posters, films photographic presentations and other sales aids. Simultaneously tourists products are also being developed by the ITDC for market sale in the country.

These include pictures, postcards, maps and guide books in International formats.¹³

During the year 1983-84, the corporation continued its efforts to further improve the quality of design and production of tourist publicity materials. The value of publicity material produced and advertisement released during the year aggregated to Rs. 206.44 lakhs. The division made a profit of Rs. 5.94 lakhs.

12. Ibid., 199

13. Tourism : A Progress Report, published by ITDC, op. cit., p. 16.

A sizeable amount of publicity material including brochures, folders, posters and directories was produced on behalf of the Department of Tourism, Government of India and State Government of Jammu and Kashmir, Bihar, Orissa and Uttar Pradesh.

The remarkable job assigned to International Product Sale and its various divisions was to design and produce a wide range of publicity materials and graphs for GHOGM and also for the India Food Festivals at Bangkok and Hannover, which was highly appreciated and commended. To promote internal as well as external communications, the ITDC's monthly news letter 'khabar' was introduced. It communicates with the Travel Trade and Tourism Organisation in India and abroad.

The production and publicity division of ITDC has designed and published a brochure for the Asian Games under special organising committee. An attractive array of ITDC Asiad punmonic has been designed for specific use at the Asiad Village. The national Awards for excellence in the designing and printing were given to ITDC news letter 'Khabar' and to a press that released during IX Asiad-India Dairy for 1983 and 1984. The ITDC won this designing and printing awards at the National Council of Cultural and Arts Karachi.

Ashok Club:

The Ashok Club, a new exciting offer has been made from the Ashok Group, India's largest hotel chain with superb leisure facilities. The Club has been added in one of the wing of Ashok Group. This is the first Corporate Club of its kind in India.

Once you associate yourself with Ashok Club as member you will get unbelievable discount of 25 % on room traffic and 10 % on food and beverages. ITDC also runs beauty parlours, transport services and cultural and entertainment programmes. Moreover, you can use the available sports facilities in the Ashok Group of hotels, plus a special bonus. Any organisation taking ten memberships gets one free. To begin with the Ashok Club will limit its membership to 100 members per unit. Membership is also open to embassies, business houses and companies. Both individual and family membership are available.

Youth Exposure to Heritage:

Youth are being offered an attractive package tours by the public sector hotel corporation, 'India Tourism Development Corporation with the twin objectives of encouraging tourism among young people and to promote national integration. ITDC has now started scheme for specially youth tourism. Under this scheme youth are given special concession as well as Rs. 60/ a day just a fraction of the normal cost

of youth will be able to stay in any of the ITDC hotels in the country, with breakfast, lunch and dinner. As far as sight-seeing is concerned, he will be able to make use of the ITDC tour facilities in each city at almost at cost price.

In Delhi, three ITDC's hotel (Qutab, Lodhi and Ranjit) are providing facilities to the youth at the reasonable price.

The youth package tours entitled "see your heritage and culture" are promoted not only through Ashok Tours and Travels (a subsidiary of India Tourism Development Corporation).

For the purpose of increasing youth travel, the ITDC has prepared the plan for the construction of hotel, forest lodges and tourist complex, details of these is given in the following table no. 4.8

Table No. 4.8

ITDC YOUTH TOURISM PROJECTS

SNo.	Types of Association	Name of Place	No. of Room	Beds	Estimated Cost in Lakhs
1.	Youth Hostel	Patna		56	33.00
2.	Youth Hostel	Imphal		56	27.3
3.	Youth Hostel	Dimepur		56	37.5
4.	Youth Hostel	Itanagar		56	50.00
5.	Youth Hostel	Aizawal		56	37.8
6.	Youth Hostel	Shillong		56	33.4
7.	Forest Lodge	Belta (Bihar)	25		46.8
8.	Forest Lodge	Simlipal (Orissa)	8	cottage	36.8
9.	Tourst Complex	Fathehpur Sikri	24		61.7
10.	Tourist Complex	Sravasti		24	57.5
11.	Tourist Complex	Kushinagar		42	69.00

Source: Magazine Business Worl, April, 15, 1985, p. 72.

According to the table no. 4.8 ITDC has given proper though to the development of Eastern Region. A special mention is made for Patna, Imphal, Dinapur, Itanagar, Aizawal and Shillong. All these places were provided 56 Number bed at the different cost of Rs. 33.00, 27.00, 37.5, 50.00, 37.8 and 39.4 respectively. Two forest lodges and three tourist complex in different capacity of bed at a cost of Rs. 46.8, 36.8, 61.7, 57.5 and 69.0 lakhs have been constructed. There is a variation in the cost due to distant places of tourist.

ITDC has come forward and offered tourist which attracted largely to the youth. The ITDC should adopt more sympathetic attitude towards youth tourists. As the ITDC is a single unit to manage hotel and the other aspect of the tourist trade, it might find the youth tourist will make its venture more profitables.¹⁴

In brief it may be concluded that India Tourism Development Corporation plays vital role in the development of its multifaced activities. These activities result in earning foreign exchange also and have succeeded in building up the image of India Tourism Development Corporation both in India and abroad.

ROLE OF ITDC IN NEW DIMENSIONS:

The ITDC has now extended its services in various other unknown areas namely consultancy services, venture

14. Magazine "Business World", Editor Dilip Thakore, Addition 15 April, 1985, p. 72

abroad and with state Governments, credit facilities, flight kitchen, and multi meals at mini prices, Train Great Indian Rovers and Ashok Club. The main purpose of these new dimensions is to provide credit for new schemes. This is a unique step towards the enlargement of tourism industry.

Consultancy services:

The Corporation has started a consultancy services wing to share with State Governments and others working for the improvement of the tourism environment. This services envisages total consultancy, beginning from research to feasibility studies, to execution of entire project, for building hotels, hotel management, transport works, entertainments and publicity, including advertising design and print jobs as well as audio visual aids like displays, slide presentations and films.

An example, of the consolidation refers to, is the corporation's consultancy work. Having built up expertise in the design and construction of hotels, and not wanting to over-extend itself through building too many new wholly owned properties, over the last few years the corporation attention on building new hotels in collaboration with the State Governments (to whom ITDC expertise is available on tape).

The corporation was also allowed to offer its consultancy services to private hoteliers. Through its management

services division (an enlarged version of the erstwhile planning and consultancy division), the ITDC conducts feasibility studies, prepares projects, offers advices on a hotel's design functional areas and interiors, a part from rendering technical assistance during, construction, furnishing, equipping and commissioning, management and marketing services.

ITDC currently has 40 consultancy contracts on hand. In some of these corporation will only provide technical services, in others, ITDC will provide marketing back-up and in a few it will manage the properties. Twenty-five of these contracts are for accommodation units, six are joint venture projects with state Government, eleven are youth hostels and tourist complexes, for the department of tourism. Two of them are abroad, the corporation is the prime consultant to the public sector National buildings construction Corporation, which has been constructing a hotel each at Mosul and Dokan in Iraq. Another contract for the design, construction and management of a 206 roomed 5-Star hotel in Limassol, Cyprus.

The other consultancy contracts are for a 3-Star, 50 rooms property with pride hotels in Pune, to be commissioned in 1987. Another 3-Star, 50 rooms hotel with Mayflower hotel in Cochin to be ready by the end of 1987. A 3 Star, 40 room hotel with the Indage group of Industries in Kolhapur (opened in 1985, and a 5 Star, 165 room property development agreement with Vankataraman Hotel in Hyderabad, which was negotiated

after the joint venture with Andhra Pradesh Government fell through. In four of these contracts, ITDC is responsible for conducting feasibility studies, provision of technical services and the management and marketing of the property, only the Pune venture is confined to technical consultancy. All these activities represent further extensions of ITDC effort to build a national network of comprehensive tourist service to supplement the efforts put in by the private sector.

Credit Facility:

The ITDC's credit card facility which had earlier been restricted to three individual hotels in New Delhi, Ashok, Akbar and Janpath has now been extended to cover all Ashok hotels, beach resorts, traveller lodges, restaurants and also ITDC transport facilities.

The ITDC credit card holders can now travel without any problem. The card entitled them to sign for any of the above facilities. It also saves them from the trouble of carrying cash or cheques and the fear of losing them.

The 'Card' is fast catching on as ITDC has 24 hotels, beach resort, 4 Forest lodges, 12 Traveller lodges and transport fleet all over the country.

The credit card membership is free and is given to individual sponsored by their companies.

Flight Kitchen:

A new dimension to ITDC services is the flight kitchen at the Airport Hotel, Calcutta. Initially it is servicing British Airways, but with the facilities that it provides, it should not be long before it is utilised by other major world airlines.

Multimeals at Mini Prices:

With the introduction of Ashok Yatri Vans, ITDC has joined the capital's fast food scenario. These mobile vans will serve wholesome and nutritious food at reasonable prices. The modern Kitchens of Ashok Yatri Vans have been specially designed and equipped with the latest cooking gadgets to ensure fresh and appetizing food. The Kitchen also have gas cylinders, water tanks, disposal units, cold storages and fans.

With multimeals at mini prices as its motto, the Ashok Yatri Vans serve both regional and continental cuisine, a mutton banger costs Rs. 3.50, pizza Rs. 2.50 channa pulao Rs. 3.50 and vegetable chowmein Rs. 5.00.

The Ashok Yatri Vans are part of ITDC's programme to promote facilities for domestic and budget tourists and also for the "common man" in India. These vans will be under the management of the Ashok Yatri Niwas, the revolutionary common man's hotel. They will also soon move into other

major cities and towns in the country. Backed with India Tourism Development Corporation expertise and culinary skill, this venture has already proved a palatable success.

Great Indian Rovers:

The 'Great Indian Rovers' a joint project of ITDC and Ministry of Railways was introduced in 1983-84 on the Buddhist Circuits. The intinerary of this special trains covers Gaya, Rajgir, Nalanda, Varanasi, Lumbini and Kushi-nagar, Plans were also drawn up for extending this concept of luxury Holiday Travel Circuit between Delhi-Agra-Khan-juraho-Varanasi for which consultation were held with the travel trade in India and aborad. Based on the enthusiastic response, the Great Indian Rovers was launched from April, 1985.¹⁵

Joint Venture with State Government:

India Tourism Development Corporation entered into joint venture with the state Governments and union territories for the construction of hotels. At present various projects are under construction at different places namely Guwahati, Puri, Ranchi, Bhopal, Itanagar and Pondichery. The hotel project at Hyderabad has been abandoned at the instance of the State Government. Details of ITDC's joint venture with State Governments is given in the table 4.9.

15. Magazine, India Tourism Development Corporation, Khabar, A news letter of ITDC, volume No. Five, 1985, p. 7.

Table No. 4.9

INDIA TOURISM DEVELOPMENT CORPORATIONS JOINT
VENTURE WITH STATE GOVERNMENT

SNo.	Star Ranking	ITDC Joint Venture with name of State Government and Union Territory	Name of place	Total No. Rooms	Estimated Cost (in crore)	Detail of Completion
1.	3 Star	Government of Assam	Guwhati	50	1.95	June - 1987
2.	3 Star	Orissa Tourism Development Corporation	Puri	44	1.99	May - 1987
3.	3 Star	Bihar Tourism Development Corporation	Ranchi	30	1.30	Oct. - 1987
4.	3 Star	Madhya Pradesh Tourism Development Corporation	Bhopal	48	1.90	Oct. - 1987
5.	1 Star	Arunachal Pradesh Industrial Development and Financial Corporation	Itanagar	20	.80	June - 1986
6.	1 Star	Pondicheri Industrial Promotion Development ----- and Investment Corporation	Pondichery	20	.82	Oct. - 1987

Source: Magazine "Business World" April 15, 1985, p. 69.

The table no. 4.9 indicates that a 50 roomed hotel at Guwahati with an estimated cost of Rs. 195 Lakhs is under construction, and 44 rooms hotel at an estimated cost of Rs. 190 lakhs is in progress at Puri. The same joint venture construction of hotel at Ranchi is under the completion with 30 room at estimated cost of Rs. 130 lakhs. With completion of these joint venture, hotels in collaboration with concerned states, the tourist development will further intensify its growth and speed in the interior tourist spots of Eastern India.

CONCLUSION

In this chapter the author has examined and analysed the contribution of India Tourism Development Corporation in the growth of tourism in India. While tracing the history of India Tourism Development Corporation it was found that the ITDC was set up on the recommendation of Sir John Sargent. The then Educational Advisor to the Government of India. It was on the advisement of sargent committee that the question of promoting and developing tourist traffic was considered to be a matter of great national importance and as such it deserved the whole time attention of a separate organisation. After independence an adhoc traffic committee was appointed in 1948, which recommended the setting up of two regional offices in Calcutta and Madras in 1949. In 1965 three corporations named below were set up as suggested by the committee, i.e., (1) Hotel Corporation of India Ltd., (2) India Tourism Corporation Ltd., (3) India Tourism Transport undertaking Ltd., Later on these three undertakings were merged into one corporation. This decision was taken up by the government in view of their negative progress and losses due to lack of coordination, un-economic working and mismanagement. Hence came into existence the India Tourism Development Corporation in Delhi with an authorised capital of Rs. 5 crores. The Corporation is fully owned by Government of India. Funds

were provided by the Government in the shape of equity and loan capital. The President of India was made its president who is authorised to determine the number of Directors of the Corporation and to appoint chairman in an honorary capacity and no remuneration paid to him. Year after year After independence the restructuring of its organisation was undertaken to give it more vigour and stability so that it may stand on sound footings and way take up independent planning for its all-around growth in India.

While opening new destinations and strengthening the existing ones, ITDC never looked to profits but to the socio-economic need of development. Despite this development role the corporation has been making profits right from its inception. At the time of establishment, the Corporation authorised Capital was only Rs. 5 crores but after 18 years of its denoted services the same was increased to Rs. 60 crores which showed an increase of 12 times in the authorised capital. To ensure financial viability, the Corporation took a number of measures like restructuring and strengthening of the division set ups, aggressive marketing, product improvement and cost control. There was a gradual increase in the turnover as well from Rs. 1312.02 lakhs in 1974-75 to Rs. 5094.57 lakhs in 1983-84. Similarly, the estimated foreign exchange earnings had been showing a rising trend right from 1974-75 to 1983-84. It was Rs. 660.00 and 700.00 lakhs in 1974-75 and 1975-76, which rose to

Rs. 1700.00 and Rs. 1800.00 lakhs in 1982-83 and 1983-84 respectively. In view of its good working the central Government has allocated a fair amount towards Annual plans under its continuing scheme to Rs. 375 lakhs, Expansion scheme Rs. 25 lakhs, Joint venture scheme Rs. 100 lakhs, Transport (Ashoka Travel and Tours) Rs. 100 lakhs, Additional/Alteration/Improvement Rs. 170.00 lakhs and Miscellaneous scheme Rs. 30.00 lakhs.

The table No.4.1 gives a detailed assesment of the financial soundness of the Corporation. For instance, the total turnover of all its six units showed a market increase in sales from Rs. 2587.82 lakhs to 1979-80 to 5094.57 lakh in 1983-84. Like-wise the total foreign exchange earned by these units collectively was Rs.557.67 lakhs in 1981-82 and the same was increased to Rs. 1204.58 lakhs in 1983-84. It was a unique joint financial contribution of these units.

The ITDC had launched a Region-wise campaign for the renovation and modernisation of the existing hotel, and the opening of new ones where necessary. The author has discussed in detail the region-wise break-up of hotels in Northern India, South India, Eastern India and Western India. Various additions were made in different regions for convenience of the tourist. For example The Ashok Cool ~~Rools~~ Traveler lodges and new Restaurant and catering services were

added, new hotels provide more luxurious rooms, swimming pools and restaurant. At Airport, Centrally air-conditioned and modernised older Hotel have added facilities for tourist enjoyment. Similarly conference and convention Halls were constructed to conduct meetings. The first International conference held in Ashok Convention Hall of Ashoka Hotel was that of UNESCO in 1956. During the period when Asiad 1982 and Non-Aligned Conference were held, ITDC opened new Duty Free Shop in Akbar, Palam Air-port and organised daily extra sound and light shows in the memory of Pandit Jawaharlal Nehru for the entertainment of tourist. Keeping in view the need for providing Duty Free Shop facilities for incoming passengers, the corporation has been permitted in June 1983, to establish Duty Free Shop at arrival lounges of Delhi, Bombay, Calcutta and Madras Airports. The profit of the Duty Free Shops were utilised to compensate losses incurred by massive hotel division. However, the duty free shops expected net profit of Rs.1.75 crores in 1984-85, in comparison to the net profit of Rs. 1.50 crores in 1983-84.

The ITDC has now extended its services in various other new dimensions viz., consultancy services, Joint venture services abroad and with the state Governments, Credit facilities, flight kitchen, Multimeals at Mini prices, Train Indian Great Rovers and Ashok Club. The main purpose of these new dimensions was to provide credit for new schemes. This is a

unique step towards the enlargement of tourism industry, Needless to mention that the Great Indian Rovers, a joint product of ITDC and Ministry of Railways was introduced in 1983-84. This special train covers Gaya, Rajgries, Nalanda, Varanasi, lumbani and Kashinagar. The luxury Holiday Travel Circuit between Delh-Agra-Kahnjraho and varanasi were under consideration. Likewise the ITDC has entered into joint venture with state Governments and union territories for the construction of hotels. At present various projects are under construction at different places namely Guwahati, Puri, Ranchi, Bhopal, Itanagar and Pondichery. With the completion of these joint venture hotels in collaboration with concerned states, the tourist development will further intensify its growth in the interior tourist spots of the four major regions of India.

It is in this context that the next Chapter V entitled "TRAVEL AGENCIES AS AN AID TO TOURISM PROMOTION" has been made the focus point of study so that the travel barriers and other obstacles which stand in the way of growth of tourism may be weeded out through travel Agencies.

Chapter V

"TRAVEL AGENCY AS AN AID TO TOURISM PROMOTION"

In the previous chapter the study was devoted to the contribution of India Tourism Development Corporation in the growth of Tourism in India. The study revealed that there are certain obstacles and bottlenecks in the way of growth of tourism in India which need complete eradication with the assistance travel agencies. Let us see how these hurdles are crossed. The present chapter will help suggest the remedial measures adopted to overcome these difficult problems.

Travel Agencies play a vital role in the solution of tourism problems faced by this industry. They provide a direct link between the consumer traveller, and supplier of tourist facilities, i.e. airlines, transport companies, hotels, auto-rental companies, etc. Their importance, however, is not indential in all parts of the globe. In India, they play constructive role in removing traffic barriers and promoting tourist traffic. Recently the International Institute for the unification of private Law (UNIDROIT) drafted a convention on the Travel Agency contract, in

which Travel Agencies are divided into two main categories:¹

- (i) An Intermediary Travel Agency; and
- (ii) An Organising Travel Agency.

The Intermediary Travel Agency undertakes to act as intermediary for another, in obtaining a journey on a sojourn in return for the price of the services rendered. An organising Travel Agency undertakes to organise for the public, a journey, or sojourn comprising a series of services relating thereto either for a similar or different nature in exchange of industry's prearranged price. These two categories are also known as "Tour Operator" and "Travel Agent".

There are 155 approved Travel agencies in India at present (including their branch offices in India). These Agencies have also to get official recognition from the Ministry of External Affairs and the Reserve Bank of India. These agencies get themselves registered under shops and establishment Act from the Chief Inspector of shops and establishment.

NEGI, JMS.

1. "Tourism and Hoteliering", published by Gitanjali Publishing House, New Delhi, 1978, p. 240.

The following is a list of State-wise Travel agencies and their branches which are given below:

Table No. 5.1

STATE-WISE TRAVEL AGENCIES AND BRANCHES

Name of State	No. of Branches
1. Gujarat	5
2. Maharashtra	38
3. Kerala	10
4. Karnataka	14
5. West Bengal	18
6. Assam	1
7. Madhya Pradesh	1
8. Tamil Nadu	16
9. Uttar Pradesh	3
10. Bihar	2
11. Delhi	30
12. Pondicheri	2
13. Rajasthan	1
14. Jammu & Kashmir	3
15. Andhra Pradesh	6
16. Chandigarh	2
17. Goa	3
	155

Source: Economic Times, 4th April, 1983, p. 7.

Approved travel agents of India enjoy good reputation in overseas tourist market for their services, efficiency and ingenuity. Travel agents have produced a wide variety of package tours which are reasonably priced and efficiently handled.

Travel agencies undertake promotion tours abroad to sell the Indian tourist product. They also attend Annual conventions of ASTA, UFTAA, ABTA and the national conference of travel agents associations. This keeps them in touch with the market. Overseas travel agents have started taking interest in selling India a tourist destination. They promote the country's tourism as a whole and convert the country into a reliable commodity and proceed to market it effectively. They also sell the consolidated services of Airlines, Shipping Companies, Hotels, Restaurants, Transporters, Guides, Shopkeepers and Souvenir sellers. They bring in the much needed foreign exchange earning through foreign tourist. Travel agents, therefore, perform, vital catalytic role.

One may wonder how much a Travel Agent charge from his client for the complex services he renders. One will be surprised to know that he does not charge even a single penny because he is paid by his principals in the form of commission for rendering these services on their behalf. Different rates of commission are given below:

International Airlines	- 9%
Indian Airlines	- 5%
Vayodoot	- Nil
Hotel Accommodation	- 10%
Indian Railways	- Nil (Except few cases)
Package Tours	- 10 - 15 %
Car rental	- 10 - 20 %

One may safely conclude from above that the travel agencies are one of the most important elements of the travel trade. The travel agents aims at giving satisfactory services to the tourists, and it is in this context that he is an important link in the promotion of tourism.

CONTRIBUTION OF TRAVEL AGENCY BUSINESS IN
FOREIGN EXCHANGE EARNING 1981-1990:

The Indian Institute of Public Opinion is of the view that the total number of tourists in 1990 could go ordinarily to the extent of 2.5 million and the per capital expenditure at 1990-91 prices will be Rs.10,000. Because of rising trend of real income abroad, foreign exchange earning of all tourist expenditure in 1990 could be of the order of Rs.2,100 crores as against Rs.700 crores at present, at 1980 prices. These figures do not include receipts of Air India and the Indian Airlines, and rough payment made abroad. If they are added the revenue earned by Air India and Indian Airlines would go up in proportions, an additional figures of Rs. 400 crores in foreign exchange in 1980-81 prices would have to be added, making foreign exchange earning as Rs. 2500 crores through tourism in India.

It is now to be considered what proportion of this expenditure of Rs. 2100.00 crores ^{directly} and perhaps Rs.2500 crores over all would occur through the series of services rendered

by travel agents. The first indication is to the effect that a fraction of 15 per cent of the total expenditure of foreign tourists might be routed, largely through package tours through India Travel Agents. This would amount to a sum of Rs. 315 crores as against an estimated Rs.35 crores at the present time. In other words, it is expected that the values of services marketed by the travel agent would multiply nearly nine times as against a wise of about 2 to 5 times of tourist arrivals. The position is that apart from International air booking which will^{be} naturally go up in proportion to 2 to 5 time with the arrivals. At the same time the domestic air booking, which could multiply 3 times Whereas the hotel and road transport operation in which the travel agent, are rendering valuable services could multiply 5 times. Thus, a slightly different mix in the pattern of receipts of the travel agents might appear in the total of Rs. 315 crores (at 1980-81 prices) which might be expected to earn by 1990.

Foreign Exchange Earnings:

The dynamic character of the Travel Agent's business in terms of foreign exchange earning is illustrated in its leading units between 1975 and 1979. The table no. 5.2 gives an indication of foreign exchange earning. It needs, however, to mention that the number of organised units has continued to grow as shown in the table no. 5.2

Table No. 5.2

FOREIGN EXCHANGE EARNING OF TRAVEL AGENCIES

Year	No. of Reporting Travel Agent Tour Operator	Universe	Foreign Exchange Earning in Lakhs	
			Rs.	p.
1975	44	62	1,128.78	
1976	57	71	2,080.08	
1977	50	69	2,447.39	
1978	69	73	2,431.51	
1979	55	87	2,717.86	

Source: Report published by Ministry of Tourism and Civil Aviation, Government of India, New Delhi, p. 25.

According to the above table no. 5.2 the number of organised units has continued to grow from 62 in 1975 to 87 in 1979, The foreign exchange earning of 44 leading travel agent in the year 1975 were only Rs. 1,128.78 lakhs. While adding another 13 in the following year, the figure was raised to rupees 2,080.08 lakhs. But in 1979 with a smaller number (55) than in 1976 (57) earnings were risen to rupees 2,717.86 lakhs. Current year figures are not available due to break down of earnings of these unit in all the five years.

On account of maximum foreign exchange earnings a special Tourism Award is given by the Department of Tourism every year to a Travel Agency earning maximum foreign exchange. Another four agencies are given special certificates

for their accelerating efforts. The following is the table no. 5.3 of category-wise Travel Agency in India on the basis of their foreign exchange earnings in 1983.

Table No. 5.3

DEPARTMENT OF TOURISM AWARDS TO TRAVEL AGENSTS FOR
FOREIGN EXCHANGE EARNED DURING 1983

Category - I (Foreign Exchange above Rs. 5 crores)

<u>SNo.</u>	<u>Name of Agency</u>
1.	Travel Corporation (India) Pvt. Ltd., Bombay,
2.	Sita World Travel Pvt. Ltd., New Delhi
3.	Mercury Travel (India) Pvt. Ltd., New Delhi

Category - II (Foreign Exchange earning above Rs. 1 crore and up to Rs. 5 crores).

1.	Cox & King (India) Ltd. Bombay
2.	Travel India Bureau Pvt. Ltd. , New Delhi
3.	Ind Travels, Bombay.

Category - III (Foreign Exchange earning above Rs. 50 lakhs and up to 1 crore).

1.	United Travel Service (International Pvt. Ltd., New Delhi.
2.	Holiday Market (India), New Delhi
3.	Eastern Travel and Tours Pvt. Ltd., Bombay

Category - IV (Foreign Exchange earning above Rs. 25 lakhs and up to Rs. 50 lakhs).

1.	Business & Tourist Services, New Delhi
2.	Perfect Travel & Tours Pvt. Ltd.
3.	Paradise Tours Co. Ltd., New Delhi.

Source: Travel News Volume published by India Tourism Development, New Delhi, March 20, 1984, p. 13.

The table no. 5.3 indicates that travel agencies are divided into four categories according to their income. The first category travel agencies earn more than five crores foreign exchange the earning of second category is more than one and less than Rs. 5 crores foreign exchange, whereas the third category included more Rs. 50 lakhs and less than one crores while the fourth category travel Agency have foreign income above Rs. 25 lakhs which goes to Rs.50 lakhs. The Department of Tourism has taken a wise step in giving Award to travel agents who have been taking keen interest in enlarging their base of earning more foreign exchange in view of the consolation and appreciation received from the department.

THE EMPLOYMENT STRUCTURE IN THE TRAVEL AGENCY BUSINESS OF SELECTED UNITS

The largest item of expenditure in the travel agents trade is naturally the salaries paid to the staff employed for the purpose. The total Travel Agency staff engaged could be nearly 5000 for the organised sector. This is evident from the table no. 5.4 below:

Table No. 5.4

EMPLOYMENT PATTERN IN TRAVEL AGENTS TRADE
1983 IATA RECOGNISES SECTOR

Type of Employment	All India-54			Bombay-20			Delhi-12		
	No.	Per Unit	%	No.	Per Unit	%	No.	Per Unit	%
Executive	801	15	23	398	20	20.4	290	24	30
Clerical and Secretarial	2182	40	62.61	1324	66	67.3	589	49	61.2
Others	500	9	14.4	242	12	62.3	86	7	8.8
Total	3483	64	100	1964	98	100	965	80	100

Type of Employment	Calcutta-7			Madras-			Other Cities		
	No.	Per Unit	%	No.	Per Unit	%	No.	Per Unit	%
Executive	38	5	17.9	10	5	25	65	5	20.8
Clerical & Secretorial	102	15	53.6	20	10	50	147	11	45.8
Others	54	8	28.5	10	5	25	108	8	33.4
Total	194	28	100	40	20	100	320	34	100

Source: Department of Tourism and Civil Aviation, New Delhi 1984, News Bulletin, p. 25

It is evident from table no. 5.4 that 98 units of Bombay travel agents employ more than 20.4 per cent as executive, 67.3 % as clerical staff and others 62.3 % as compared to Delhi. Bombay is also competing fairly well with 64 units of all India level. The reason might be that Bombay being cosmopolitan coastal city has the privilege of having larger number of both domestic and foreign tourists who visit this city. It is, however, estimated that nearly 1 lakh tourists come to this city every day. As such the travel agents and their staff remain engaged in contacting and supplying them all possible liaison services. In Bombay, though the executives per unit are 20 which are slightly less than the figures of 24 for Delhi yet the number of visitors is always high which is sometimes unmanageable for the staff. This is the reason why the 66 Bombay units more than half of the clerical staff with that of Delhi which are operating more economically with that

of 49 units of Delhi. Bombay and Delhi have left Madras and Calcutta far behind. The table shows that the average employment per unit is 64, with Bombay 98 per unit, Delhi 80, Calcutta 28 and Madras 20. But the redeeming feature is that the proportion of clerical and secretarial staff per unit is substantially more in all units than the other staff.

Turnover Per Employees:

It is interesting to observe that the efficiency of individual unit and the range of turnover of units per employee is very encouraging. This is evident from the estimated earnings in the year 1980 which was 15 to 20 per cent more than the estimated figures of Rs.30 crores for the year 1979. This could, therefore, be 35 crores for 1987, if efforts are intensified in catching more trade.

The Non-IATA Recognised Sector:

Details of the sources of revenue and structure of expenditure were sought from Unorganised travel agents. The components of earnings of commission is said to be the most important source of revenue of these small travel agents. In all 18 non-recognised travel agents in per metropolitan cities, Bombay, Delhi, Calcutta and Madras are taken into account for analysis. It seems that more than 90 per cent of such agents operate from these cities, and

their total turnover amounts to around Rs. 15 crores.

A pragmatic study regarding the turnover and employment has been made and 16 recognised travel agents have been selected for the purpose.

The details of turnover and employment of these units are given in the table no. 5.5

Table No. 5.5

EMPLOYMENT & TURNOVER OF 16 SELECTED TRAVEL
AGENTS RECOGNISED SECTOR

Units	Total Crores Turnover (Rs.lakhs)	Number of Employees	Turnover per Employees
1.	2,096.00	398	5.27
2.	2,620.00	456	5.74
3.	2,132.15	584	3.65
4.	1,572.33	380	4.14
5.	839.04	121	6.93
6.	785.12	396	1.95
7.	279.93	67	4.17
8.	266.93	98	2.72
9.	159.67	33	4.84
10.	85.03	27	3.15
11.	83.53	55	1.52
12.	74.10	34	2.18
13.	54.30	12	4.52
14.	32.39	15	2.16
15.	29.04	12	2.42
16.	24.90	27.	0.92
	11,134.46	2,715	4.1

Source: Department of Tourism and Civil Aviation.
New Delhi, News Bulletin, 1983, p. 28.

It is evident from the above table no.5.5 that 2715 persons were employed in 16 units and their total turnover amounted to Rs. 111.34 crores. The average turnover

of these units was Rs. 4.1 lakhs per employee, but the efficiency difference against the turnover was Rs.6.93 lakhs. In the case of unit 2, Rs. 5.74 lakhs as against Rs. 5.27 lakhs in respect of unit 1, the turnover of which is fairly high while a very low turnover per employee is shown against units numbering 16, 11 and 10. It would appear that even amongst the largest units the operational factors differ widely. There is room for economy on staff or absorption in the process of expansion for further tourist development. The need for adjustment by workload to the volume of business seems not to have been fully appreciated, but spare capacity is ~~now~~ an advantage. In other words, IATA admits that travel agent has the capacity with current staff to operate larger number of both foreign and domestic tourists than are currently served. However, the proposed expansion of this industry would inevitably require doubling of staff at least in the next decade.

The table no. 5.6 of non-recognised units of IATA shows good increase in the reporting unit from 21 to 54. The capacity employment of each unit also increases from 7 in 1976 to 10 in 1980. It also represents an increase in the executive, clerical and unskilled worker simultaneously.

Table No. 5.6

GROWTH PATTERN OF EMPLOYMENT IN NON IATA RECOGNISED TRAVEL AGENCY 1976-77

Year	Reporting Unit	Total Employment		Executive		Actual Per Unit %		Actual Per Unit %		Actual Per Unit %	
		Actual	Per Unit	Actual	Per Unit	Actual	Per Unit	Actual	Per Unit	Actual	Per Unit
1976	21	146	7	43	2	29.5	64	3	43.8	39	2
1977	24	190	8	48	2	25.3	91	4	47.9	51	2
1978	31	254	8	68	2	26.8	122	4	48.0	64	2
1979	43	373	9	96	2	25.7	176	4	47.1	105	3
1980	54	515	10	136	3	26.4	240	4	46.6	139	3

Source: Department of Tourism, Government of India, New Delhi, Annual Number, November, 1980, p. 22.

Table No. 5.7

EMPLOYMENT AND PER EMPLOYEE TURNOVER OF 18
TRAVEL AGENTS (UN-RECOGNISED UNITS)

Units	Total Gross Turnover	Number of Employee	Turnover Per Employee
1.	201.22	270	7.45
2.	57.00	11	5.18
3.	49.00	9	5.44
4.	20.15	8	2.52
5.	16.12	9	1.79
6.	14.90	6	2.48
7.	13.26	17	0.78
8.	13.00	32	0.41
9.	11.60	4	2.91
10.	10.85	6	1.01
11.	9.00	9	1.00
12.	8.93	6	1.49
13.	7.85	8	0.98
14.	2.27	5	0.45
15.	2.28	7	0.32
16.	2.00	3	0.67
17.	1.90	5	0.38
18.	1.50	9	0.17
	442.78	181	2.45

Source: Department of Tourism Government of India, New Delhi, Annual Number, November, 1980, p. 23.

Table No. 5.7 shows the per employee turnover in respect of 18 units in the unrecognised sector.

----- The average turnover of these units is Rs. 2.45 lakhs per employee, but the efficiency difference of the first three units and the per employee turnover is Rs. 7.45 lakhs Rs. 5.18 lakhs and Rs. 5.44 lakhs respectively while the average low turnover per employee is shown against units numbering 15, 17 and 18. It follows that a good

number of non IATA recognised travel agents are doing their business in air booking most economically by hiring less staff. By the end of next decade, when the tourist arrival are expected to cross 2.5 million there may be expansion in those fly-by-night agencies in terms of numbers but not much growth is envisaged in the number of employees per agency.

PACKAGE TOURS:

The special field of Indian travel agents business has been in the range of package tours, because each holiday package has a few unique features. They vary in length, quality of boarding and lodging, type of transportation, and sites visited. Schedule usually include Delhi, Jaipur, Agra, Bombay, Calcutta and Srinagar and after Kathmandu, Madras, Varanasi and others. The cost of tours includes hotel accommodations, meals, travel during tour, sight-seeing, transfers, tips and taxes. International air fares are usually priced separately.

The following are a few examples of 16 to 19 days tour in India, advertised in North America in 1982, gives an idea of the prices paid in dollars by Canadians and Americans. For conversion purpose, dollar 1.00 converted to about Rs. 9.5 in 1982. Four wind travel, Inc. offered a 16 days tour - "wonders of India and Nepal" - priced at

dollars 1,398. Olson-Travel world, Ltd. through jet Trek Tours sold in 18 days tour, "The Himalayan", at a cost of dollars 1,028.—Journey world, International Ltd., advertised "A Taste of India" which is a 17 days tour at a cost of dollars 1,785. The 1982 round trip air fare from New York to Delhi on Air India, the major international carrier used for India holidays, was approximately dollars 1,500.³

Package Tourist represented 8.5⁴ per cent of the International tourists in 1975-76 as about 45,386 of India's International visitors. In order to get an idea of the current absolute size of market, if the percentage remained at 1975-76 figure the 1978 number would have been 63,580 and the 1980 approximation nearly 68,013, we are talking about a sizable number of tourists and their economic impact who may outweigh their relative size.

They primarily represent "high spending" tourists that are identified by the Department of Tourism as visitors from North and South America, Europe, Australia, West Asia and Japan.⁵ Though there are exceptions, in most cases, the package tourists spend more than their non package national counterparts. For instance in 1976-77, North

3. See the following brochures Maupointour, India, Nepal, Kashmir, 1982-83 Olson-Travel world Ltd. India, 1982, and Four winds Orient, 1982.

4. Department of Tourism, Foreign Tourist Survey, 1976-77, by Administration staff college of India, (Delhi Government of India), p. 27.

5. Department of Tourism, Ministry of Tourism and Civil Aviation, Tourist Statistic, 1980. (Delhi Government of India), p. 27.

America non package tourists spent Rs. 4,035.96 and their tour package counterparts spent Rs. 8,192.46.⁶

Foreign Exchange Costs For Non-Package And
Backage Tourists:

In 1976-77 international tourists using a travel package stayed 134 days and spent Rs. 5,917.2 on the average or Rs. 439.9 per day. In comparison, the non-package tourist stayed 27.3 days and spent Rs. 4277.8 or Rs. 156 per day. cursory consideration indicates it is preferable to encourage package tours in as much as their stay is half that of most foreign visitors and they on the average spend Rs.1639.4 more. The comparison of package, non-package of tourist expenditure is shown in the table no. 5.8.

Table No. 5.8

EXPENDITURE PER FOREIGN TOURIST, 1976-77

Name of Expenditure	Non-Package Tourist		Package Tourist	
	In Rupees	Per cent of Total	In Rupees	Per ce of Tot
Boarding & Lodging	1,412.00	33.00	3,312.69	
Restaurants	715.00	16.7		56.00
Internal Transport	480.7	11.3		
SUB-TOTAL	2,607.08	61.00	3,312.69	56.00
Entertainment	329.00	7.7	385.08	6.5
Shopping	1,249.07	29.02	2,208.09	37.3
Miscellaneous	91.03	2.1	9.09	0.2
SUB TOTAL	1,670.00	39.00	2,604.06	44.00
Total	4,277.80	100.00	5,917.02	100.00

Note: Percentage are rounded to the nearest thousand the separate rates are not available for these three bracketed

Source: Data presented in Government of India, Department of Tourism Foreign Tourist Survey, 1976-77, p. 36, 37.

6. Department of Tourism, Foreign Tourist Survey, 1976-77,p.

7. Department of Tourism, Foreign Tourist Survey, 1976-77,p.
36 and 37

The table no. 5.8 shows that the package tourists spend a smaller percent on boarding and lodging, restaurants and internal transportation than the non-package group. The percentage expenditures are 56.0 and 61.0 respectively. However, visitors on package tours spent as high as 37.3 per cent for shopping as compared to the non-package visitors as 29.2 per cent. This difference of 8.1 per cent is partially offset in the entertainment shopping miscellaneous sub-total by non-package tourist expenditure for entertainment and miscellaneous as items being 1.2 and 1.9 per cent higher than Tour Visitor.

The number of Indians going abroad on business and for pleasure has similarly increased dramatically over the last quinquennium in particular. Though detailed of large number of package tours and attractive excursion fares offered by travel agents have been summarised in the table no. 5.9.

Table No. 5.9

PACKAGES : WHAT THE MAJOR OFFERS

Operators Name	Title of Tour Major Destinations	Duration	Price Tag
(1)	(2)	(3)	(4)
SOUTH-EAST ASIA			
TCI	Bangkok, Pattaya, Hong Kong Tokyo, Singapore, Manila	20 days	Rs.15,900 + \$ 200
SOTC	Bangkok, Pattaya, Hong Kong Tokyo, Osaka, Manila, Singapore	19 days	Rs.16,600 \$ 225

Contd.on.....

(1) •	(2)	(3)	(4)
SITA Blossom Disneyland Tour	Pattaya, Coral Island, Rose Garden Shore, Ocean Park, Disneyland & Expor'85	17 days	Rs.15,000 + US \$ 200
Diners (Manila Regal)	Pattaya, Bangkok, Hong kong, Manila, Singapore	16 days	Rs.17,990 +
EUROPE & USA TCI	Rome, Frankfurt, Paris, London, New York, Washing- ton, Orlando, Nigara, San Fransisco.	26 days	Rs.25,700 + US \$ 300
SITA	Rhine Cruise, Nigara, Disneyworld, Cologne	29 days	Rs.26,500
EUROPE TCI Scintillating Europe & U.K.	Paris, Geneva, Pisa, Rome Napies, Capri, Venice. Innsbruck, Frankfurt, Cologne, Amsterdam, London.	20 days	Rs.14,990 + US \$ 250
SOTE Europe	London, Amsterdam, Cologne Frankfurt, Zurich, Como, Geneva, Paris.	24 days	Rs.15,990 US \$ 300
SITA Europe	Paris, Rome by night, Rhine Cruise, Cologne	15 days	Rs.13,400 + US \$ 150
Diners UK & Europe Extravaganza	Paris, Geneva, Pisa, Rome, Venise, Surich, Frunkfurt, Amsterdam, London.	19 days 21 days	Rs.18,500
USA SOTC	New York, Nigara, Washing- ton, Orlando, Los Angeles, Las Vegas, Reno, Lake, Tahoe, Fresno, Yosmite Park, San- Francisco.	20 days	Rs.24,790 + US \$ 200
Diners	New York, Washington, Orlando, Nigara, San-Fran- cisco, Los Angeles.	21 days	Rs.26,250
TCIS USA COAST TO COAST	New York, Washington, Orlando, Niagara, Miami, Las Vegg, Reno, Yosemite Parks, San Francisco, Los Angeles	19 days	Rs.23,800 + US \$ 200

Source: Business World Dated August 4, 1985, pl 61

It was stated that tourist travelling in the package groups belonged to middle or upper income brackets. The total number of package tourist who was less than 10 per cent of the total in 1976-77 seems to have risen above 2 per cent and is projected to rise by 1990-91 upto 20 per cent. This is predominantly the field served by the travel agents. It is in this context that one can force their role in package development as providing a vastly extended market in the eighties, if they are given adequate incentive and opportunities to develop modern marketing strategies with great vigour both at home and abroad.

PERSONAL SURVEY:

Presented below is the lay out of a survey conducted by me, in order to find out the travel agency position in India. The choice was limited to travel agents (P) Ltd., public Ltd., and small and big in Delhi.

I did my survey with the help of a questionnaire and adopted interview method. I visited, the Sita Travel, Mercury Travels, Travel India Bureau, Travel Corporation of India, Indiana Travel and (Tour operators), Indur Travel and Ashok Travel and Tours (ITDC). I met the concerned managers there and interviewed them for the survey.

The following people were interviewed.

- | | | |
|-----|--------------------------------|---|
| 1- | Mr. Kapoor | - Sita Travels, Vice President |
| 2- | Mr. Ravi Seth | - Asstt. Manager, Mercury Travels |
| 3- | Mr. Madhulimaya | - Publicity and Public Relation Manager, Mercury Travels. |
| 4- | Mr. Srivastava | - Commercial Manager, (TBI). |
| 5- | Mr. Mehak Sing | - Tour Operator (T.I.B.) |
| 6- | Mr. C.P. Gupta | - Tour Manager (T.C.I.) |
| 7- | Mr. G.L. Gupta | - Manager, Indiana Travels. |
| 8- | Mr. Gill | - Indus Travels. |
| 9- | Mrs. Deep ti Bhagat | - General Manager, Ashoka Travel & Tours. |
| 10- | Mr. Kotru | - Tour Executive, Ashoka Travel & Tours. |

THE QUESTIONS, ASKED TO THEM WERE:

1. Is the Agency IATA approved ?
2. Historical background of travel agency.
3. The basic structure of a travel agency various Department and their operations.
4. Practical knowledge of the various tours organised by them.
5. Do they have Branches in India & Overseas ?
6. Do they have any problem due to the government policy ?
7. What is the best season for them to get tourist ?
8. How do they arrange guide ?
9. Which Airlines and Hotels do our tourists prefer ?
What is the basic criteria in choosing them ?
10. What is their role or contribution in tourism in terms of number of tourist and for exchange they bring ?

Now, let us first discuss the basic common feature in the travel agency, I went through.

1. IATA Approvals:

I come to know that all these travel agencies are IATA approved and Mr. Srivastava in (T.I.B.) also explained that the main criteria for a travel agency is to get it approved by IATA.

2. Basic Structure:

About the basic structure there was a bit of difference among all these agencies but basically they all had (including Indiana Travels). One man tour department with two categories in bound traffic and out bound traffic, the ticketing department, publicity and public relation department, sales department and so on.

3. Problems due to Government Policies:

Every one was found unanimous that they were highly affected by government policies from time to time. For instance Visa problem for the tourists and custom clearance, are adversely affected by the change in government policies. The small but important problems like telephone, taxi fares, cheating and beggars etc. are tackled in conformity with the rules laid down by government.

4. Best season:

The best season for travel agents trade starts from september to March. I was told that there was a minor slump

in the tourist traffic for the last three or four years. Due to this recession all over the world, the travel agents trade was also sluggish and dull.

5. Arranging Guides:

Normally the Travel Agents do not employ guides but their services are hired for the time being when the tourist or any tourist party calls on the travel agents.

6. Airlines and Hotel Used:

Travel agents get 10 per cent commission from the hotel and 5 per cent from the Airlines. The question of selecting Hotel and Travel Agency is their own choice. This is done entirely on negotiation made with the hotels and airlines personnel. The tourists invariably value the good services offered to them earlier by airlines and hotels.

7. Their Role and Contribution in India's Tourism:

This was the most important question of my survey where I could gather that they do contribute a lot in the tourism potential. Generally, information regarding the number of tourists and the foreign exchange received is not disclosed by travel agencies but Mr. Gupta of (T.C.I.) told me that they could get as many as 25,000 tourists and received 10 crores foreign exchange, or 40 crores (rupees) during the year 1986-87.

Mr. Kotru of Ashoka Travel and Tours also told me that during the year 1986-87 they received 50,000 tourists which includes FIT's and groups and also the conferences. The total turnover in 1986-87 was to the tune of Rs. 6 crores (G.T.O.)

PROBLEMS FACED BY TRAVEL AGENCIES AND THEIR
REMEDIAL SUGGESTIONS:

With regard to different operations of travel agencies, they face some difficulties which need the attention of all concerned not only to help the travel agents but also to help themselves. If at all tourism is allowed to grow fast one has to root out the hurdles which stand in the way of selling the tourist products. It would pave the way for smooth functioning of the government machinery and in the earning of more foreign exchange. Hotels will remain occupied and the airlines will also not have to worry about the minimum load facilities.

International Air Booking (I.A.B.):

The general consensus is that the cooperation of I.A.B personnel should be readily available. The earlier problems of getting late reservation confirmation should no longer exist, in view of the operation of computerisation confirmation of onward and return journey. However a careful passenger manifest needs to be completed because inspite

of confirmed - reservation the names of the passengers do not appear in the list. A lot of co-operation is still needed from airport authorities, government and custom authorities for better ground handling, improvement in tele-communication system and easier and quicker clearance of the passengers and their accompanied luggage. Sometimes inspite of green channel, this problem is not eased which must be looked into a new to find solution. The general consensus is that the rate of commission should be raised to 10 per cent so that the travel agents may feel contented and satisfied.

Domestic Air Booking:

The Indian Airlines has not been able to solve the air booking problem since long time, particularly the reservation of seats in time. It is unfortunate that the Indian Airlines has not yet set their domestic air booking in order. The staff concerned should make use of computer to avoid delay in domestic air booking.

It is, therefore, suggested that Indian Airlines should purchase fifth generation computer for handling the reservation of Air passengers, on line system.

As regards payment of commission, the travel agencies placed a serious charge on Indian Airlines. They feel that one constituent of the air booking office is trying to dodge another constituent at the same time, which puts

the travel agents in an embarrassing position. As for instance when the airlines increased the fare by 31.98 % there seemed no justification to call a part of it as surcharge. When the passenger pays the total, towards the cost of ticket, only on the face of it, it seems that the Indian Airlines want to make saving and pay the same old 5 % commission. They do not increase travel agents commission on the increased part of the fare. The total cost of the fare ought to have included the travel agents commission. What actually happens is that the travel agents are deprived of their commission while adding surcharge which is not included in the total fare at which commission ought to have been paid to travel agents.

It is, therefore, suggested that the Indian Airlines should atleast merge the surcharge with the fare in order to pay increased commission to travel agents. If for certain reasons the airlines cannot do it for any technical difficulty, they should, raise the travel agents commission from 5 % to 7 % in view of the high operating cost which is increasing every^{year}/_{now} and then with the cost of living index.

Railway Booking (R.B.) :

Another hurdle faced by travel agents is that of railways booking which is very cumbersome and time consuming and puts a lot of mental strain. Reservation of railway

ticket is a hard nut to crack for which the travel agency receives a little amount of commission from this botheration of 3 per cent from the Indian Railway. But the agency does so in order to save the tourists from this botheration. Security against the ticket which comes around five lakh rupees depending upon the stock of tickets, is also a great bottleneck. It is suggested that the railway should not insist on the agencies to stock tickets of all destinations. Instead they should be allowed to keep more tickets of the destination which they can sell quicker. Railway should keep only one control deposit which should cover all railways. It is almost impossible, to manage, reservation single handedly. Reservation should, therefore, be computerised. It would facilitate agents and the general public and would also reduce their present cost. While giving reservation for the foreign tourists, railway should not insist on individual names to be supplied to them as airlines do. Railways should make reservation under 'one along-with 30 other. They should increase the quota of tourist reservation. Railway should increase the rate of commission for travel agents in order to make their services more useful for foreign as well as domestic tourists.

Surface Transportation:

The problem that needs early attention in respect of provision of luxury cars and coaches also requires active

consideration of the government because here the prestige of the country is involved. The Government should provide these imported cars and coaches to travel agents on concessional rates and should also allow them to import the spare parts on the reduced rates. Different types of duties should not be charged at different check posts from tourist vehicles.

Hoteliers Working as Retailers:

Another problem, being faced by the travel agents, is that of providing hotel accommodation at correct rates. Since the time, hotels have joined foreign chains, they have started circumventing the travel agencies and making direct quotations. Thus they have come out in direct competition with travel agencies. In case they succeed in it, it might reduce the status of a travel agent and they act simply as a transporter. As discussed earlier, it is on account of this encroachment that travel agencies have started getting direct enquiries for package tour with the hotel accommodation.

It is, therefore, suggested that the hotelier should not adopt direct selling services because it will reduce further business of the hotels by circumventing the travel agents. It is advisable that the hoteliers should act as a guardian and give more opportunity and concession to travel agents, so that they may bring more and more tourists to

keep the hotels flooded with tourists all the time.

Government Departments and Foreign Exchange Clearance:

Travel agents have been facing multiferous problems in dealing with the government departments regarding foreign exchange clearance, custom clearance, and opening new branches abroad. This is mainly due to step motherly attitude and slow moving bureaucracy of the government. Hence active cooperation of the government department is needed to ease this problem. It is, therefore, suggested that the government should open a separate section to deal with travel agency work and to give all out support to travel agents avoiding unnecessary formalities of clearance.

Finance:

Indian travel agents do not have sufficient money to organise the agency in a proper way and to open branches abroad. Lack of finance is the major hurdle which stands in the way of smooth functioning and thereby keeps away the Indian travel agencies from competing with travel agencies of other countries.

It is, therefore, suggested that the government should cooperate and encourage the upcoming of good talented professional travel agents to deal with finance. They should be provided necessary finance either through banks or through specially floated finance corporation against appropriate securities.

CONCLUSION

It follows from the above discussion that our travel agencies undoubtedly play a dynamic role in the growth and development of tourism in India. Its promotion is recognised by all segments of the travel industry. The government should work in close collaboration with them not only in India but abroad, encouraging them to plan and organise package tours for various destinations in India. In suitable cases, the department of tourism should recommended the release of foreign exchange to travel agents to enable them to open their branch offices abroad. It is, however, a good redeeming feature that the finance department has instituted a special tourism award which is given every year to the Travel Agency earning maximum of foreign exchange. Needless to mention that Travel Agency Business contributes a great deal in foreign exchange earning. The study reveals that travel agencies have been rendering sterling services for Airlines, Railways and Road Transport have been earning a lot on account of travel agents. Looking to the employment structure in the travel agency business of selected units it is found that the total travel agency staff engaged amounts to more than 5000 for the organised sector and an equal number of unorganised sector. The average employment of executives per unit is 64, with Bombay 98 per unit, Delhi 80, Calcutta 28 and Madras 20.

The proportion of clerical and secretarial staff per unit is substantially high in all the units. The range of turnover of units per employee is very encouraging. The estimated earnings in the year 1987 will be Rs. 35 crores as compared to Rs. 30 crores in 1979. This may be further increased if efforts are intensified in catching more trade by organised sector. There are more than 90 per cent non-recognised travel agents operate in big cities like Bombay Delhi, Calcutta and Madras and their total turnover amounts to around Rs. 15 crores.

The special field of Indian travel agents is arranging package tours which also includes boarding and lodging, type of transportation and sites visited i.e. Delhi-Jaipur, Agra, Bombay, Goa, Calcutta Srinagar and Kathmandu, Madras Varanasi and others. The earning arising out of Package Tours is given in the table attached to this chapter.

The author has also conducted Personal Survey to examine the travel agency position in India with the help of questionnaire and adopted interview method. This physical survey proved very useful in finding out the true state of affairs being faced by foreign and domestic tourists. For instance, Problems due to Government Policies, Arrangement of Guides, Airlines and Hotel used, Reservation, accommodation. International and Domestic Air Booking, Railway Booking and Foreign Exchange Clearance.

Thus after having examined the working of Travel Agency's and its impact on tourism promotion, it is, however, necessary to analyse critically and eradicate the travel barriers faced by the tourist. This forms the subject matter of the subsequent chapter VI entitled "Tourist Facilitation and Travel Barriers".

Chapter VI

"TOURIST FACILITATION AND TRAVEL BARRIERS"

INTERPRETATION OF FACILITATION

In the previous chapter the achievements of Travel Agencies in the promotion of tourism was examined. The contribution in the expansion of turnover and employment avenues both in organised and unorganised sectors of travel agents was also discussed. The personal interviews taken from Travel Agencies suggest various remedial measures to weed out the obstacles and difficulties faced by foreign and domestic tourists in connection with International Air Booking, Railway Booking, Reservations and custom clearance etc. In the present chapter a rational study has been made to provide every possible facility to outgoing and incoming tourists by overcoming travel barriers.

The meaning of "FACILITATION" is to act in assisting progress or helping to move forward. To put it in other words facilitation means making a thing easier or less difficult. In tourism terminology facilitation has been interpreted as promoting any measure which will facilitate international travel with prime Emphasis on achieving minimum entry and exit formalities for temporary visitors. However, it implies the services which enable a tourist to

enter and move around the country with the maximum of ease and the minimum of obstacles and to secure maximum enjoyment of their visit.

FACILITATION covers not only those procedures which help or hinder tourists within the country but it also includes all regulations they have to comply while on arrival/departure, and services provide at airport while checking in/checking out.

The dictionary meaning of 'Facilitation' is to make easy or to promote some objects in hand (Oxford Dictionary). The literal meaning somewhat tries to explain the concept of 'Facilitation' which can be put it as the first impression a tourist gets while entering in a country. It is the facility that the host country is providing so that tourist does not face any problem as soon as he is taking the visa for the country till the time he enters the country and the moment he leaves the country. The other factors like comfortable stay or relieving the tourist from harrasment by the trouble makers, baggers, shopkeepers may also be included in the broader sense of the word facilitation, but these are of a secondary characters.

Tourist facilities may be defined as the 'sum of material means necessary to ensure or to make easy the participation of people in the tourism. The achievement of its goal and the creation and utilization of services of tourists.¹

1. Annual Survey Report, 1968, published by Department of Tourism, New Delhi, p. 15.

Facilitation, as is clear from the above definition, implies the various facilities provided to a tourist while visiting a country. The facilities so provided may not irritate a tourist even if he does not show respect to country's art and culture or for some other reason he is not inclined to visit that country. Thus the adoption of a sound facilitation policy is one of the basic needs. As the famous quotation speaks 'First Impression is the best impression'. The same holds good in this case also.

OUTGOING TOURISTS:

Facilitation does not only mean to facilitate tourists who come to destination. It also involves facilitation of people who meant to visit the/or a particular country. For example an Indian traveller while travelling has to fulfill all the necessary formalities before he actually gets the 'yes' to visit the particular country. The formalities which he or she undergoes is a part of facilitation.

What are the documents needed for a layman who has the necessary finance to go abroad. These are the most pertinent questions which a tourist has to answer properly. Take the case of an Indian resident who wants to go abroad. The first thing which he has to do is to get a passport from the country he belongs. He has also to keep in mind

what passport is and what responsibilities befalls upon him while complying with the rules and regulation as laid down in the passport.

The official definition of a passport is 'an official document issued by a competent authority to nationals or to alien residents (mostly stateless persons) of the issuing country'. Therefore, an Indian, first of all needs a passport valid for all the countries he intends to visit and should obtain Visa before travelling unless an exemption to that effect is stated on the page of the country(ies) concerned as they pass through a country without leaving the airport. A few countries do not allow this in which case it is stated under passport on the page of the country concerned.

Normally a passport has 32 pages. The first four give the general information of the person concerned his particulars, the place from where the passport is issued, date of issue, expiring date and so on. There are a few blank pages for endorsement. Rest of the pages are for the visas of the country, the person want to visit. A person's nationality can be established by checking the specific information under the 'Nationality' or 'Nationality Status' is his travel document (e.g. passport or national identity Card). In general the permission to enter a country without Visa is based on nationality and not on the country which issues his travel documents.

PASSPORT:

Passport are different types. Some of them are mentioned below:

- A) Alien's passport are issued to alien resident of the issuing country.
- B) Children identity Card-issued to minors instead of a Passport (e.g. West German 'KIN-DEPAUSWEIS'. However, the West German Kindirauweis is not recognised by Albania, Equador, Poland, Thailand and U.S.S.R.).
- C) Diplomatic a Counsellor passports - issued to diplomats, Counsellor and other officials on mission entitling the bearer to diplomatic or counsellor status under international law and customs.
- D) International Red Cross Passport, Nansen Passports, 'Laissez Passport', issued by the United Nations etc.
- E) Joint Passport issued to cover either wife, husband, Children etc.
- F) Official Special or Service Passport, issued to the Government Officials or other persons or Government Mission.

Secondly, what is most important for any person to visit a country is to obtain a Visa. Visa is an entry in a passport of a Government to indicate that the bearer has been granted authority to enter or to re-enter the country concerned. But one thing is to be noted whether he has any Visa i.e. transit Visa or a Visa exemption for a country which does not guarantee admission to the country. The final decision rests with the competent authority at the airport. It is necessary to check carefully the transit Visas required by the authorities of:

- 1) The Country of Departure
- 2) The Transit Station
- 3) The Country of Destination.

The next step is to fulfill the health requirements of the various countries, officially sent to the World Health Organisation which are published in its, vaccination certificates also required for International Travel (VCRIT). However, the unfortunate situation arises when this official information is not always reflected at the point of entry in the country.

Travellers should also realise when they go abroad that they may come in contact with diseases which are common in the country in which they usually reside. The risk varies greatly from country to country, according to the manner in which the traveller lives and the duration of stay he completes. Cholera, Smallpox, and yellow fever are the only vaccinations specifically required in normal travel and these are only necessary for certain countries. As a general rule passengers transiting the country without leaving the Airport, no vaccination is required. Normally vaccinations are also not required for the transiting areas unless advised otherwise by the authority concerned. Validity periods of vaccination certificate are:

- a) Smallpox minimum 10 days and maximum 1 year
- b) Cholera minimum 6 days and maximum 6 months.
- c) Yellow Fever minimum 10 days and maximum 10 years.

In India, the local Municipal Committee or corporation or physician authorised by the local/Indian Medical Association may issue certificate after cholera vaccination. For

Yellow Fever, special arrangements are made at International Airport and at the public health authority centres.

Indians travelling abroad do not require vaccination against smallpox but for Cholera, if they are travelling to Middle/Mexico, East Asian Countries and for Yellow Fever vaccination is not required if they are travelling to Central/Western and South Africa countries and Central/Southern American Countries or moving from one infected area to another. One can also consult latest addition of TIM or Health Information booklet for international Travel and IATA publication. Brazil, Bolivia, Colombia and some areas of south Africa where Yellow Fever inoculation is compulsory before entering the country. Otherwise they put passengers in "QUARANTINE" for a few days where they are vaccinated and then only allowed to leave outside the airport.

Visa formalities for Indians who want to visit as a tourist or businessmen differ. Different visas are issued by different countries according to their rules and regulations.

In general the Visa requirement is divided in the following manner:

- i) Visa for U.S.A. (United States of America)
- ii) Visa for European Countries (including Australia)
- iii) Visa for South East Asia.
- iv) Visa for Middle East Countries.

I) VISA REQUIREMENT FOR U.S.A.

1. For Tourist having substantial proof that it is his passport.
2. Financial condition - it requires the sanction of U.S. Dollars 500/- under the foreign Travel Scheme by the Reserve Bank of India. This shows that the tourist has the necessary finances to go to America.
3. The tourist has to fill up the required Visa form by giving all his particulars, including reasons for travel, for how long he intends to stay, necessary finances, has he visited U.S.A. earlier.
4. One passport size photograph is necessary.

Finally it is at the discretion of the U.S. Embassy whether to give the person the Visa or not. To get a business Visa, the necessary correspondence is essential with the U.S.A. counterparts. The next step is to obtain sanction from the Reserve Bank of India for exchange permit which is an indication that he has got the permission to do business with his counterparts in U.S.A. Sanction of foreign exchange is given to a business man to have his business purchases. One thing which is important to note here is that he has to give full record as to how he has used the foreign exchange received from Reserve Bank of India. Another requirement is the income tax assessment order. It shows he has a sound business in the home country. Once he receives the Visa, there is no problem for him to get the Visa again. After a period of six months he can renew it and keep on doing it till his passport is valid.

II) VISA REQUIREMENT FOR EUROPEAN COUNTRIES:

For tourist belonging to European Countries similar formalities as stated in U.S.A. Visa required to be complied with. Of-course for obtaining business Visa an exchange permit sanctioned by the Reserve Bank of India is necessary. Valid passport is a must along with a return ticket.

III) VISA REQUIREMENTS FOR SOUTH EAST ASIA:

The Indian nationals going to South East Island like Thailand, Hong Kong, Indonasia and Malashia, no Visa is required for a period of 30 days. At the port of entry, an Entry permit is given. Similarly for a business man who goes for business purposes, if the duration of his trip is for less than 30 days no Visa is required, but if his trip is for a longer stay he needs further endorsement on his Visa and he has to fulfill the same formalities as in the case of U.S.A and Europe.

For visiting Middle East Countries, a tourist visa is not issued but a proper sponsorship through the government of the country is enough. However, it is advisable to obtain an entry Visa. But for getting business Visa a number of formalities are to be fulfilled like valid passport, exchange permit, business correspondence with the business counterparts in the country concerned, a recommendatory letter from the Ministry of External Affairs and in some

cases a bank certificate stating the financial position of the applicant.

The next important feature would be new system of Check Under Emigration Act which was introduced from November, 1st, 1980 by the Government of India for people wanted to visit the world. A system of checking of Indian overseas passengers at the airports has been introduced to ensure that the requirements of India Immigration Act were not circumvented and that those who fall within the purview of the Act proceed abroad only after obtaining emigration clearance. This check was insisted during 1977-78. However, this check was inconvenient to passengers. To remove this inconvenience a new system of check was introduced. Under this new system all passports of Indian Nationals would be provided with an endorsement at the time of issue of passports, indicating whether the person was exempted from the requirement of emigration clearance. All Airlines and Shipping lines operating in India have been advised to allow passengers to board unless the passports of the passengers bear any one of the following endorsements:

1. Emigration Clearance not required
2. Emigration Clearance granted, or
3. Emigration Clearance requirements suspended.

It means that passport holders whose passports indicate the requirement of emigration check but who might be going abroad for purposes other than employment would require to obtain endorsement of this passport to the effect

that emigration clearance requirement has been suspended for that specific journey.

persons going for employment have to meet the protectorate of emigrants at the passport office and only after showing necessary proof of employment, they are granted the necessary endorsement and can leave for employment purposes.

INCOMING TOURIST:

Tourism in India is fetching quite a good market, but there are a number of travel barriers faced by the tourists in India which either reduce the number of tourists visiting India or cut short their visit from India abroad. They often start relating their impressions about India to their nears and dears.

We have a unique spectrum of tourist attractions in our country. India being a country of vast tourism potentials and has a lot of historical background, full of wonders. There is no exception to this. I personally feel India is a difficult destination to visit because of her typical geographical topography. If the visitor is not provided proper facilitation, it would be difficult for him to move about. In case the facilitation is not provided, the tourists will not only waste his time, money and energy but he will be victim to mental and physical strain and might feel a tired man all the time.

A tourist philosopher has described facilitation as a procedure which not only covers those procedures which help or hinder tourist within the city but also includes all the regulations they have to comply with on arrival and departure. Here the travel agents come to the rescue of the persons visiting India and render all possible help to tourists which is the main motto of every tourists attracting countries as such.

The first document necessary for a tourist visiting any internal frontier is the possession of a passport. A passport is essentially a document issued to a citizen of a country by the External Affairs Ministry which verifies that the person who possesses it is a citizen of that country. By producing this identification he can enter into any country/countries with which the issuing country has good relations. As the possession of valid passport is essential so also the Visa which is regulated on reciprocal basis as agreed by the sovereign countries. However, the following regulations are applicable in India at present.

PASSPORT:

Citizen of all countries require a valid passport and entry, insist on tourist Visa. The exception areas may be mentioned below:

Nepalese and Bhutanese when proceeding from their respective countries needed no passport or Visa. Citizen

of common wealth countries (other than Citizen of Shri Lanka and Bangladesh) and the Republic of Ireland and Nationals of Nepal (except when coming from Tibet) require valid passports without Visas. However, citizen of U.K. and colonies ordinarily resident in Kenya and Uganda and holder of British subject or British protected person passports require Visas. Nationals of Commonwealth countries and of the Republic of Ireland proceeding India for or in connection with missionary work, require special endorsement on the passport.

Nationals of Sweden, Finland, Norway, Denmark, West Germany, Yugoslavia, Bulgaria and Ireland, holding national passports can enter into India for tourism and stay of a maximum period of 90 days.

South Africans of Indian origin do not require Visas but they should be in possession of valid passport or certificates of identity endorsed for India.

Individual without nationality or of undetermined nationality (Stateless person, IRO refugees, person receiving legal and political protection, holders of Nansen Passport, etc.) should have valid passport, identity documents or sworn affidavits with visas for which they should apply at least 2 months in advance. Family passports issued by other governments are recognised with discrimination.

VISAS:

The government of India issues three kind of Visas, namely Tourist Visa, Entry Visa and Transit Visa according

to the purpose and nature of visit for which Visa is required. Visas are issued by Indian Representative abroad. In Countries where there are no Indian Representative or Consular officer, the British Representative will advise on the obtaining of Indian Visas. No Visa fee is charged from citizen holding passport of the countries like Argentina, Afghanistan and Denmark etc.

TOURIST VISAS:

These Visas are effective for a period of three months stay in India. Tourist must arrive within six months of the date of the issue of Visa. The tourist can extend his stay for a further period of three months if he applies to the Foreigner's Regional Registration office at Delhi, Bombay, Calcutta and Madras or at any of the office of the superintendent of Police in the District Head Quarters.

An application for a tourist Visa should be made on the prescribed application form with three passport size photograph along with a return or through tickets. Tourists travelling in organised groups by chartered aircraft/Ship can obtain a collective Visa.² Four copies of the list of passenger with passport particulars should also be furnished.

A. ENTRY VISAS:

Entry Visas are issued to persons who wish to visit in India for purposes of business, employment, permanent residence, profession etc. Application for such Visas should

2. India Tourist informations, magazine issued by ITDC,

be accompanied by the following documents.

- i) Three passport size photograph
- ii) Full particulars of the purpose of Visit
- iii) Either a sponsorship letter from the applicants confirming evidence of their financial status a return/onward ticket.

Entry Visas are initially issued for a period of 3 months like tourist Visas, extendable to a further period of 3 months. For visits exceeding six months, applications should be made at least two months in advance.

B. TRANSIT VISAS:

Visitor passing through India in route to some other destination are granted Transit-Visas on production of through tickets for the onward journey. Holders of transit Visa must enter into India within three months of the date of its issue. The maximum stay in India is permitted for 15 days provided the Visa for the country of destination is valid for this period. Two way Transit Visa can also be obtained for two journeys through India permitting a maximum stay of 15 days on each visit.

Application for a transit visa should be made on the prescribed application form along with three passport size photographs. Passengers in direct transit who do not have the permission of the airport or the seaport do not need transit visa.

C) LANDING PERMIT:

Tourist who arrive without a visa may be allowed by the emigration Authorities at International Airport and Seaport to obtain temporary landing permit for 30 days. This facility is not available to foreign tourists once in a continuous period of six month. However, a foreign tourist who comes on/a continuous journey covering neighbouring countries like Nepal, Sri Lanka, Bangladesh, Afghanistan and Burma may be granted landing permit provided he holds a round tour ticket and the total of the broken periods of stay does not exceed 30 days. Landing permits are allowed to visit Lumbini (Nepal) via Nautanwa, or Nogaon and return to India by the same route within a period of 48 hours, without being required to obtain a fresh Visa.

D) RESTRICTED AND PROTECTED AREAS:

Foreigners require special permits to visit areas declared as 'Restricted' or 'Protected' areas. Such areas are closed to persons of Indian origin in order to maintain secrecy. Strict vigilance is exercised all the year round and special check post is set up for this purpose.

E. AUTHORITY TO ISSUE PERMITS:

For visiting Darjeeling and Jalapara (West Bengal) Keziranga and Manas (Assam) and Shillong (Meghalaya) permission for one ticket can be given by Indian Mission

abroad by making an endorsement in the passport as well as the foreigners regional registration office, New Delhi/ Bombay/Calcutta/Madras. Permits for going to Darjeeling can also be obtained from the Immigration officer at the International Airport at Bagdogra Airport. Permits to visit Kaziaranga and Manas can also be obtained for Trade Advisor and Director of Movements. Assam House, 8 Russel Street, Calcutta and for visiting Shillong from Trade Advisor and Directors of Movements, Meghalaya House, 9-10 Russel Street Calcutta.

For permits to visit other restricted and protected areas, applications are to be made at least six week in advance of the date of the visit to Ministry of Home Affairs, North Block, New Delhi.

For visiting Bhutan, visitors require a Visa from the Royal Bhutan Government as their Missions in New Delhi and New York. They also require transit permits to pass through the restricted areas of India. Applications for transit permits are to be made to the Ministry of External Affairs, New Delhi, sufficiently in advance of the date of the visit.

Helping the tourist should be considered as the basic motto of a country. Those who want to attract tourists to visit their country, make it easier for the tourist to see and enjoy. For this purpose we include entry/exit 'Facilitation' in this category:

- a) Improved Entry/Departure and Custom formalities
- b) Better tourism Data for Distribution.
- c) Increased understanding and support by community and Government.
- d) More effective and better financial tourism programme.

What is needed is to fillout, check off the type of entry from in an effective manner. Its filling out should cause no real annoyance. The art of making tourists happy when the step into the country should be widely practised. Offensive surety customs officials, Immigration, health and agricultural officers and tax department realise a great deal of money as tax revenues on business generated by tourists spending.

But in India, as a tourist commented when I interviewed him was that Indians are really excellent in the languages they put to publicise their country. They are really generous verbally but in practice, he said, they were the worst of the bunch of countries, he had got an opportunity to visit. These type of comments project a very poor image of a country. If a person is disappointed at the very first step then naturally for the rest of his steps he will criticise till he has been given the best of the services he had received from any other country.

As pointed out earlier the custom formalities and regulations governing tourists stay should be made flexible and easy so that the image of Indian tourism may not be

tarnished. Hence an active cooperation and helpful attitude of the custom authorities is very much desired. This is necessary to avoid tourist grievances.

For the purpose of custom in India a tourist is defined as a person not normally resident in India who enters into India for a stay of not less than 24 hours and not more than 6 months. In the course of his stay for twelve months period, the legitimate purpose will have to be given such as touring, recreation sport, health, family reasons, study, pilgrimage or business etc.

These concession are governed by the International custom conventions under United Nations of which India is a signatory. Infact, India has allowed more concession to tourists than recommended by convention. Passengers who are covered by this definition will be entitled to concession under the Tourist Baggage Rules whether they happen to possess Tourist or Entry Visas or not.

BAGGAGE DECLARATION:

Visitors are generally required to make oral declaration in respect of baggage and foreign currency in their possession. Visitors in possesssion of more than one thousand U.S. dollars or equivalent thereof in the shape of Travellers Cheques, Bank Notes, Currency Notes are required

to obtain a Currency Declaration form and mention the amount before leaving the customs.³

On arrival each passenger, except persons coming from Pakistan, Sri Lanka and Nepal is allowed to bring in the following articles free of custom duty (these allowances do not apply to Children travelling with and dependent on their parents). Husbands and Wife travelling together are entitled to baggage concession separately. Visitors are advised to obtain a landing certificate from the custom officer, for the unaccompanied baggage if any.

ARTICLES ALLOWED FREE OF DUTY:

Cigarettes 200 or Cigars 50, or tobacco 250 grams, one bottle of wine and alcohol, i.e., liquore not exceeding 0.95 litres small quantity of perfume and medicines may also be allowed free of duty but in a reasonable quantity.

PERSONAL EFFECT IMPORTED TEMPORARILY FOR PERSONAL USE AND SUBJECT TO-RE-EXPORT-THE TOURIST:

- i) All clothing and other articles new or used which a tourist may personally and reasonably require but excluding all merchandise imported for commercial purchases.
- ii) Personal Jewellery in reasonable quantity, two still cameras with 25 roll films or plates plus 50 roll of films or plates plus 50 roles on entry in TBRE and others 10 number item.

3. Hand Book of India, Published by the Directorate Publication Division, Ministry of Information and Broadcasting Government of India, New Delhi, pp.28

- iii) Three supporting fair arms with 200 cartridges
- iv) Instruments apparatus or appliances as are specially designed for use in the profession followed by tourist and which generally carried by such persons on professional tours.

ARTICLES ALLOWED FREE OF DUTY BUT ENTERED
TOURIST BAGGAGE RE-EXPORT (TRUE) FROM:

Two additional still cameras, one portable wireless receiving set, one Watch (Also 50 rolls and 20 reels of films as mentioned above. Few items or articles which are imported temporarily which are to be re-exported, and to obtain a Tourist Baggage Re-Export form for high valued articles i.e. cameras, taperecorder, jewellery, watches, binoculars, firearm etc.⁴

The collector of customs may refuse concession granted to a tourist in any of the following cases:

- a) When the total quantity of commodity imported by a tourist exceeds substantially the limit laid down.
- b) When the tourist enters more than once a month
- c) When the tourist is under 17 years of age.

TRIPTYQUE/CARNET:

Vehicles imported under the triptyque or Carnet, issued by any internationally recognised automobile association, are allowed duty free entry for a period of six months only. The same regulation applies to the import of

4. Brochure, "Conventionally Yours". Produced for the Department of Tourism, Government of India, By ITDC, p.23.

motor cycles, bicycles with motor, and tractor (whether imported with the vehicles or separately).

Triptyque/Carnet De-passage are accepted by the Government of India in respect of all temporary visitors under the conditions given below:

- a) Legally constituted bodies, i.e., firms or corporation etc.
- b) Persons, who during their temporary visits to India, take up a paid employment or any other form of gainful occupation.

It becomes somewhat clear that one of the major irritants which reduces the percentage of tourists arrival to India are mentioned below:

The first irritant which is confronted by most of the people who want to visit India is, their own hometown. When all their plans for visiting India are finalised the problem of obtaining visa proved to be a hard nut to crack. A visitor has to apply much in advance to get an Indian visa by giving all minute description in it. The poor visitor is asked to remove objections addressed to him. When he disposes of these objections, he has to wait for atleast 7 to 8 days to get the visa stamped on his passport.

The other problem which is faced by almost every tourist visiting India is at the airport. Here the tourist

presents himself before the naughty, dull and stony face Immigration officers to whom he hands over the disembarkation form and who after checking the tourist visa endorses his passport for entering India. At times they ask the tourist irrelevant questions which irritates him beyond limits. The travellers get annoyed by such type of questions. However, it is advisable that some kindness and politeness should be shown to them. This keeps the traveller happy and his time is also saved. As the tourist comes out of the Immigration, he has to wait for his baggage. First of all the mechanical belts through which the baggage is sent has very little space. It becomes difficult for the passengers to identify the baggage easily. Secondly if two or three flights have landed together, it takes a lot of time for the baggage to come in and come out.

After the passenger has identified his baggage this poor chap has to pass through the main hurdle known as custom. This happens with almost every tourist who often becomes most irritant due to discovery tourism behaviour of the custom authorities. It is no denying the fact that custom is the most time consuming. Though India has occupied the channel system followed by most of the International airports of the world yet the channels till recently are for the namesake. Even if a person passed through the green channel meant for persons who do not possess any dutiable items, still his baggage was thoroughly checked. Therefore, to make the

process of baggage checking simple it is desirable that where the persons carrying dutiable items declare the dutiable items and pay duty on them, they should be allowed to go out. But this never happens. They have to obey the green channel where they have to meet the dreary custom offices, and pay their tributes to him.

As the tourist comes out of the custom's office and reaches the Arrival Hall which is over crowded by tourists and surrounded by the 'Taxiwalas' who get a chance to mint money especially from foreign tourists, by charging them exorbitant rates. This, of course, damages image of India and its people.

Now after leaving the airport the foreign tourists go to hotels where they have to face the ordeal of booking rooms. If the booking has not been made in advance through direct negotiation or through Travel Agents they are put to great inconveniences. Specially during the peak season (October to March) they have to run about from hotel to hotel to get accommodation.

This accommodation problem has been taken up seriously by ITDC and is being solved. Complaints from tourists are piling up which regard to harassment by beggars who pounce upon their cars at the railway crossings or when they come out of the cars at the various sight seeing spots. This is again a very humiliating problem which demonstrates India's poverty. The abject poverty of India is projected in its

full view through these beggars. Another problem faced by the foreign tourists is that of hawkers. They really bother them at times and compel them to buy their wares. These tourists take back with them a very poor impression which is really very humiliating and disgraceful for India.

The foreign travellers are generally adventurous by nature and most of them are fond of shopping and wish to carry home some Indian handicrafts. Most of the travel agents and guides take these ignorant souls to unrecognised shopping arcades, where they show them mostly goods which are, of poor quality. These tourists make purchases mostly imitation articles instead of the original ones as they are not aware of the goods they want. But in a number of cases they write to us complaining about the crafts, which are broken either on their way home or at home. Is this not an injustice or disservice to nation? Do these travel agents not defame the country at the cost of commission which they gets from the shopkeepers.

One more problem which is quite common with the foreign tourists is the language barrier. India being a country of multi-languages where different languages are spoken, it is completely out of question for a tourist to know even one of the language. Though English is spoken widely in India yet there are number of tourists who can neither speak, understand nor read English. Therefore, interpreters are to be provided either by the Department of Tourism or Travel

Agents for such tourists. But it becomes difficult for a travel agent to arrange for a proper interpreter or a guide at such a short notice for the tourists. There is a real shortage of foreign language speaking guides in the country. Though there are guides available yet at times they are not competent enough to provide full satisfaction to the tourists.

These are some of the travel barriers faced by the tourists in India. On interviewing them during my brief survey, I have come to the conclusion that through the under-mentioned questionnaires some of the travel barriers may be removed if not all. I would, first of all like to put them in this form:

- 1) Nationality
- 2) Type of Visa the tourist is holding
- 3) Difficulty in detaining the Indian Visa.
- 4) Did you face any problem on arrival with the Immigration staff, Custom Staff or baggage problems ?
- 5) Did you face any problem of getting accommodation if it is not pre-arranged ?
- 6) Did you face any problem with the public transport, with regard to overcharging fares by Auto rickshaws or Taxis ?
- 7) Did you come across any problem regarding cheating in shopping or finding a suitable place for shopping ?
- 8) Did you have any problem concerning food, if so to what part of the country ?
- 9) Did the beggars harass tourists on the street crossings or at sight seeing spots ?
- 10) Did they have any tipping problem if any ?
- 11) Did you find Entertainment facilities in India ?
- 12) What about the behaviour pattern of Indians and the manner they have received them ?

I took interviews of quite a good number of people and I was pleased to get good response from them. In the light of my findings through interviews I have prepared the statement given below:

STATEMENT SHOWING WHAT IRRITATED A TOURIST
WHEN HE/SHE VISITS INDIA:

1)	Problem in obtaining Visa in home country for India	12 %
2)	Problem with regard to immigration and attitude of Custom Authorities.	41 %
3)	Language Barriers	12 %
4)	Problem in respect of Hotel Accommodation and services	5 %
5)	Problem of shopping	15 %
6)	Beggars and venders which cause harassment	10 %
7)	Problem concerning food served to the tourists	6 %
8)	Taxi and Auto-rickshaws overcharging	10 %
9)	Entertainment facilities	4 %
10)	Health hazards before coming to India	20 %
11)	Problem of forced tipping	5 %
12)	Behaviour Pattern with tourist in India	6 %
		<hr/> 146 % <hr/>

It follows from the above discussion the more than 100 per cent of irritation is due to tourists own multiple choice. The above breakup reveals that our facilitation policy is not being implemented properly and it lacks follow up measures. The highest emphasis needs to be given to the improvement of immigration and customs formalities. Some radical changes are required to be made immediately in order to have a smooth facilitation set up.

DEVELOPMENT OF FACILITIES:

From what we have examined earlier, it is clear that the Government have been evincing keen interest in the development of 'Tourism' and thereby improving country's balance of payment position. Tourism would pave the way of developing those regions which have less economic potential. The receipts from international tourism provide a valuable source of foreign exchange for many developing countries. It is a main sector of economy for these countries. Needless to mention, international tourism provides, the major source of finance more conveniently than manufacturing goods. There is no problem of packing the products, transport it to docks or airport, shipping at overseas and patiently awaiting payment in case of manufacturing goods. But in tourism the customer brings himself to the point of sale at his own expense and in return takes immediate delivery of the services. It is in this context tourism is considered as a vital source of employment for skilled, semi-skilled and unskilled population of the country directly or indirectly. It is highly labour intensive industry, managed and run through human efforts.

The revolutionary changes in tourism industry demand a simultaneous overhauling in the working of travel agencies hotels and means of transport. The involvement of private sector undertakings was considered necessary in Handicraft

industry, Construction of Hotels, formation of Travel Agencies, development of resorts and places of tourists interest to achieve large scale prospective results.

After establishment and initiation of private agencies the government have also started taking active part in the promotion of tourism industry. A committee was set up for making rules and regulations in order to formulate sound tourism policy in the country for the benefit of foreign tourists.

Hence the Facilitation pattern was more or less changed than what it was in the past. Still there was something more to do for the prospective tourists coming from countries other than India like U.K., Italy and Rome. But there were certain bottlenecks in our Facilitation policy. For instance the government restrictions were there which resisted a tourist to travel a country. It was felt that only the central government could relax the rules and regulations which hinder the visit of tourists coming from other countries. State governments should concentrate on travel facilities so as to bring them within the reach of average tourist - India as well as foreign.⁵

Finally, there are certain tourist regions where the local population has given warm welcome and befitting send off outgoing tourists. The local population also gives positive feeling about the destination country, its facilities,

5. Times of India, August, 23, 1985, p. 9.

its people, thereby multiplying the prospect of more tourists coming to that destination, because of the good image created by them in the minds of the tourists. The role of local population is praise worthy since they brighten the future prospects of that 'Destination Country'. The tourists always cherish the memory of the visiting country and its people through photographs which they carry home.

OVERCOMING TRAVEL BARRIERS - SUGGESTIONS:

The people whom I interviewed also gave some valuable suggestions for the improvement of facilities at the airport, hotel and in transport and so on. In the light of personal interview undertaken by me, I have made certain suggestions below for overcoming travel barriers.

The majority of tourists whom I interviewed complained of the existing problem faced by them at the airport. At times they come out so irritated that they did not like to give any kind of suggestions. However one healthy criticism made by a tourist impressed me most that India being rich in tourism did not recognise tourism as an industry. It could earn much more foreign exchange than what it was getting at present. Being an industry, there could be a separate allocation of funds for tourism purposes much more could be in streamlining than what was being done now. The department of tourism should look into the grievances of the tourists with regard

to treatment meted out by travel agents and hotel personnel. Instances are not lacking when these travel agents convert their dollars into Indian currency at a rate lesser than discounted at the counter of the nationalised banks. I therefore, suggest that private agencies should not be allowed to do it. They should be ----- punished if they resort to such practice again.

Another suggestion put forth unanimously by the majority of the tourists was that the airport should be enlarged. There is no proper place to accommodate passengers at the airport for the time being when flights land out after another. The airport is overcrowded and fails to function smoothly. Some passengers feel that whatever seating accommodation they provide, it is negligible as compared to the other busy airports of the world, where for example forty flights land at a time, and there is neither any confusion nor chaos. But in Indian airport "Utter confusion" takes place all round when only four to five flights land together. One can witness the pitiable scene at the airport. The whole airport machinery comes into action and moves about here and there in confusion as to how to handle these passengers.

This really reflects a poor image of the country. Another hurdle which a tourist has to cross is the emigration counter. Here a disembarkation card is given to a tourist which has to fill it up. In the card all details with

regard to name of the person, passport number and his date of birth are entered which is optioned and necessary. If our government wants to know the number of tourist arrivals and departures, they should feed all these information into the computer as is done in other countries. This will save time, energy and money of the foreigners who enter Delhi airport and get scared while looking at the Emigration Officer's face. Neither are they polite nor atleast courteous enough to wish the tourist.

Apart from emigration the next exercise which a tourist has to do at the customs. Previously there used to be no channel system, but a couple of years back the red and green channel system has been introduced. But there was no distinction between the red and the green channel. Hence quite recently a new system has been started at the airport, known as 'Walk Through' Green Channel. The present Green channel has been widened and passengers will not be subjected to questioning.

If any passenger has to declare anything, he will have to pass through the 'Red Channel'. The motto of this new system is 'Courtesy and services to the passengers'. This step has taken to ease the custom procedure. India is the only country in south east Asia to have introduced the 'Walk Through' system. Infact this facility is not available even at international airports like Tokyo, Los-Angles and Washington.

The other suggestion made by tourists is regarding porters. What they really feel is that there should be sufficient number of trollies to let the passengers carry their baggage themselves if the authorities do not want the porters to cause any hindrance to the passengers. The trollies should be in 'fit' state. But they are in such a poor and rattling conditions that one feels ashamed to carry the luggage on them.

It is, therefore, suggested that there should be assistance counters in the arrival hall too. Assistance to the passengers is the main criteria not only on board but also after getting off the plane.

Another pains taking problem is that of auto-rickshaw and taxi drivers. They should not be allowed to enter the airport premises. They are dreaded at times by the foreign tourists for not only they charge them exorbitantly but also at times men handle them while forcing them to travel in their taxis. What impression one takes back is clearly understandable.

At hotels, leaving a side the service motive, the only suggestions, that I would like to throw is to get to reduce the size of the check inform at the time of registration.

I hope if all the aforesaid suggestions made by the tourists are implemented there is no reason why the travel barriers are removed. But if one can work upon these suggestions one can improve facilitation into India and outside India.

PROSPECTS OF TOURIST INDUSTRY IN INDIA:

As discussed earlier that the tourist industry has been growing rapidly throughout the world. It has become India's largest foreign exchange earning industry and as such it needs a systematic and scientific approach for its proper development. The industry should always go ahead of time and be kept, ready for any eventuality befalls upon it. For instance in the event of international meet, social, political or cultural, its capacity to accommodate more and more forcing tourists should never go unattended. As according to the projection made by ITDC it is felt that by 2000 A.D., the Corporation expects 50 lakhs tourists and foreign exchange earning is being estimated to be Rs.10,000 crores. Hence, the prospects of this industry seem to be very bright but since there is much world-wide competition all round the tourist market has become very challenging. The ITDC will have to discover ways and means in shapping this industry with renewed vigorous planning from time to time, in order to make it young for all time to come. According to the Institute of Economic and Market Research, after taking into consideration the actual tourist arrival of 1302304 thousand in 1985, has adopted the growth of 35 % for the year 1987 to 1990. The projected tourist arrival up to the year 1990, are given in the statement- 1

Statement - 1

ESTIMATED TOURIST ARRIVAL PROJECTION FROM 1987-90(000)

Year	Tourist Arrival in India	Tourist Arrival in World	India % in World Tourism
1987	1746	451,281	0.38 %
1988	1921	478,209	0.40 %
1989	2113	508,016	0.41 %
1990	2510	539,005	0.46 %

Source: Report Tourism in India, Edited by S.P. Ahuja,
published by the Institute of Economic & Market
Research, p. 29.

The above statement indicates that the position of tourist arrival in India is quite good. In comparison to the world tourism, India's share is rising from 0.38 % in 1987 to 0.46% in 1990. It shows good prospects of tourist arrival in India.

Statement - 2

ESTIMATED TOURIST ARRIVAL IN SELECTED CENTRES (000)

SNo.	Centres	1987	1990
1.	Delhi	982	1,620
2.	Bombay	603	1,004
3.	Agra	518	853
4.	Madras	381	642
5.	Calcutta	342	603
6.	Banaras	310	526
7.	Amritsar	240	413
8.	Jaipur	205	356
9.	Srinagar	170	299
10.	Bangalore	159	282

Source: Report Tourism in India, Edited by S.P. Ahuja,
published by the Institute of Economic & Market
Research, p. 30.

The above statement - 2 reveals that the real challenge of tourism planning has been more and more concerned with macro approach to tourism promotion, aiming to bring more and more foreign tourist to India. The micro approach to tourist planning is concerned with estimating the tourist arrivals in each tourist centre and creation of tourism facilities at the receiving end. After estimating the number of arrivals in each centre, the extent of work involved in receiving tourist may suitably be envisaged, and met, prospects of tourism Industry depended upon several other vital segments which needed proper coordination. For handling the future growth of tourist as shown in these statements we need adequate and increased facilities of all means of transport - such as Road, Rail, Sea and Air to avoid any inconvenience caused to the tourists. Ancillary tourist services such as duty free shops and entertainment cells need to be developed. A powerful and persuasive communication media should be evolved per visitors, whether they come to India to see sun and sand or wildlife or spiritual solace or they just belong to the increasing host of businessmen, as convention travellers. ITDC can fulfil these future requirements and vital segments to meet the tourist need according to their taste. Hence the Government should give proper consideration for the development of infrastructure of tourist industry so that the industry as such may deliver the goods in all time to come.

CONCLUSION

In the sixth chapter, certain travel Barriers faced by tourists have been brought to surface and suggestions have been put forth to overcome these barriers. The study reveals that the outgoing and incoming tourists are put to inconveniences inspite of proper documentation i.e., Passport, Visa, Emigration Clearance requirements and other corresponding documents. The author has also discussed the major irritants which have reduced the percentage of tourists arrival in India and at the same time suggestions have been made to weed them out as early as possible. For instance, the behaviour of the Immigration officer whom the tourists call as naughty, dull and stony faced man, behaviour of custom authorities who harass the tourists unnecessarily consuming much of their time, energy and money the Railway Booking office, the Airport booking office, the persons dealing with railway and air reservations, the hotel accommodations where they have to face the ordeal of booking rooms if advance booking is not done by the tourists, the harassmant by beggers and venders who pounce upon their cars at the various sight seeing spots, the overcharging of fares by auto-rickshaws and taxi drivers, cheating by travel agents and guides in discounting foreign currency and cheating in purchasing poor quality goods, mostly imitation articles instead of original ones, and the problem

of forced tipping.

As a result of such harassments and irritants, the tourist is victim to mental and physical torture and he finds himself a tired man all the time. He somehow or the other winds up his tour and goes back to his home land with a heavy heart, carrying a very poor impression which is really very humiliating and disgraceful for India.

Therefore, the author strongly recommends to implement Tourist Facilitation Policy which not only covers those procedures that help or hinder tourist within the city but also includes all the regulation they have to comply with on arrival and departure. In like manner the custom formalities and regulations governing tourists stay should be made flexible and easy so that India's tourism image may not be tarnished. Hence the cooperation and helpful attitude of tourism personnel who are at the help of affairs is very much desired in order to avoid tourist grievances. What is needed is to accord warm welcome and befitting send off to the tourists so that they may cherish the memory and hospitality of the people through photographs which they carry home. Whether shortcomings are there in the facilitation policy, the government should relax those rules and regulations which hinder the incoming and outgoing tourists. The department of tourism should look into the grievances of

the tourist the regard to treatment meted out by travel agents, hotel personnel and custom and excise executives of the airport. The Tourist Facilitation Policy further needs complete overhauling, restructuring and renovation, BBecause the Tourist Facilitation and its proper execution and development is the vital need of tourism industry.

Chapter VII

"SUMMARY OF FINDINGS AND RECOMMENDATIONS"

PARAMETERS OF TOURISM:

Indian tourism is over 2,000 years old though as an industry in the modern sense, it was organised only some thirty years ago ie., 1956. From a small beginning of individuals travelling alone in search of adventure, knowledge, trade and pilgrimage, the mass movement of people today all over the world has given rise to a highly sophisticated, multidisciplinary industry known as Tourism. To develop and promote tourist activities, to service the tourist facilities so as to ensure visitor-satisfaction and thus generate more travel, is the main purpose of tourism. Because tourism promotes exchange of ideas and views and facilitates interaction of people and their culture, it can be a potent instrument for achieving national integration, better international understanding and ultimately peaceful co-existence for the people of the world.

Despite its world-wide operations, tourism can function in the smallest of settings as effectively and efficiently as in wide-ranging, multi-national, operations. There are reasons to believe that tourism is a dynamic industry

which can be helpful in evoking material spirit in the mind of people at the difficult circumstances and will bring all the people in the national stream. Today, one of the worst problems in the development of the country is regionalism, castism and religions. This can only be removed through cultural and sport tourism. Tourism thus has the flexibility of adjustments to situations which few industries possess. It can be an individual endeavour or it can employ thousands in a single operation. It can be a small enterprise or a multi-million project. Tourism is thus both labour-intensive and capital-intensive activity. In economic terms, tourism is a major source of foreign exchange earnings for many countries. It can help correct adverse trade balances and regional imbalances, create employment avenues and give a direct stimulus to the socio-economic development of backward areas in a country.

However, there are pitfalls as well as un-regulated tourism which can cause many problems, i.e. unbalanced social change and unwieldy economic development, social tensions and environmental pollution, distortion of life-styles and cultural decay-indeed the destruction of the very entity on which tourism is built.

Historical Survey:

The history of tourism, its origin, growth and development in India, is closely linked with our ancient civilization. In the first chapter of this thesis entitled

"Growth of Tourism in India" the author has made an in-depth study and traced out the historical significance of tourism. It may be recalled that India has been the nerve centre of world's civilization and she not only became the heart land of 'Aryavarta' and repository of Asian though but the seat of mighty powers like Delhi, Agra and Jaipur. From the mighty Mauryas to the Great Mugals, Kingdom and empire usually grew up in the rich and populous 'Middle India (Madhyadesha) with Ganga and Yamuna as the corridor and the plateau of Malwa as bestions of resistance against the invaders. This civilization has given birth to some of the world's most beautiful creations of mankind in the form of religious edifices, temples, monuments and architecture. It is the only visible material record of man's intellectual evolution through the ages that impresses and instigates the tourist to look at the country's cultural heritage. It has also enriched our culture and has given a unique traditions of customs, rituals, fairs, and festivals that constitute our major tourism resources. In face our cultural tourism began long before commercial tourism and its birth in European countries though with different outlook.

Various surveys and studies have confirmed that the biggest element in attracting international tourists to India is our historical and archaeological monuments. Although the maintenance and upkeep of the monuments is the

responsibility of the Archaeological Survey of India and the State Departments, it is proposed to provide adequate tourist facilities at the major centres of cultural interest in a planned manner in co-ordination with other concerned agencies including the State Governments. The intention is to fully exploit the rich heritage of archaeological Monuments, religious centres dear to the followers of various religions of the world as well as the rich heritage in the field of performing arts, the variety of which could itself be the sole objective of the tourists' visit to India. Tourism is, therefore, a people intensive in a big way. Its economic, social, cultural roles are enormous and the employment and business opportunities tourism offers are perhaps, unmatched by other industries.

STAGES OF TOURISM DEVELOPMENT:

At Government level, the development of tourist facilities was taken in a planned way from 1956 coinciding with the Second Five Year Plan. The ~~developmental~~ approach has evolved from isolated planning of single unit facilities in the Second and Third Five Year Plans to integrated development in the Fourth Plan (Gulmarg and Kovalam Projects), and thereon to integrate area development in the Fifth and Sixth Plans.

The many attractions of India hold virtually an unlimited potential for tourism development. The endeavour,

therefore, will be to convert this vast potential into reality through well-planned, well-defined and fully integrated national programmes of tourism development. For instance films like Gandhi, James Bond and Festival of India in 1982 be repeated in other countries as they arose considerable interest in India's art and culture.

The India's performance in the filed of tourism over the past 40 years has been quite impressive. In 1951, 25 million world travellers crossed national frontiers to visit other countries as tourists. Of these, India received 16,829 or only 0.66 per cent. In 1981 while the world tourist movement was estimated at 290 million. India received 8.53 lakhs and 4.27 lakhs arrivals from Pakistan and Bangladesh or 0.44 per cent. The estimated foreign exchange earnings of India from tourism in 1951 were Rs.7.7 crores. In 1981 these were estimated at Rs.702 crores. Hardly any other sector of the economy has recorded such a consistently notable performance. It is presumed that by 2000 A.D. the Corporation expects 50 lakhs tourists and the earning of foreign exchange is being estimated to the tune of Rs. 10,000 crores.

This rising trend both in terms of tourists and foreign exchange earnings would help correct our adverse trade balances, regional imbalances, building of more hotels with additional rooms and staff. In fact, it would create employment opportunities and bring about socio-

economic development of backward regions. It is earnestly hoped that if these schemes and programmes as projected under the Seventh Five Year Plan are judiciously executed with sincerity and devotion, the future prospects of tourism promotion is bound to accelerate at a higher growth rate. The tourism would thus contribute a great deal in bringing down the poverty ratio to 26 per cent by 1990 from the present 37 per cent.

Tourism and Government Objectives:

The Government's objectives thus are to so develop tourism that:

- i) It becomes a unifying force nationally and internationally fostering better understanding through travel.
- ii) It helps to preserve, retain and enrich our world view and life-style. Our cultural expressions and heritage in all its manifestations. The prosperity that tourist brings must cause accretion and strength rather than damage to our social and cultural values and depletion of our natural resources.
- iii) It brings socio-economic benefits to the community and the State in terms of employment avenues, income generation, revenue generation for the states, foreign exchange earnings and, in general, causes human habitat improvement.
- iv) It gives a direction and opportunity to the youth of the country both through international and domestic tourism to understand the aspirations and view points of others and thus to bring about a greater national integration and cohesion.
- v) It also offers opportunities to the youth of the country not only for employment but also for taking up activities of nation building.

In order to achieve these objective, it is suggested that regional tourism should be attended to i.e. tourism among the Countries of the South Asian Region, (comprising the Indian sub-continent) extending the scope to cover Afghanistan, Iran and the Republic of Maldives. Through promotion of tourism in the region, tourism will bring about greater understanding among the countries of the region and the feeling of oneness will prevail. Thus, in order to enlarge the benefits of tourism it is essential to have a selective approach for determining investment priorities rather than spread the resources and thereby dilute the impact of future tourism. Priority will be given to scheme which yield economic returns and generate social benefits.

India has a long tradition of social and cultural values and possesses a spiritual quality that has come down unbroken from time immemorial. In the first chapter which is devoted to "Growth of Tourism in India" the author has discussed the past and future assessment of tourism in India. It is recommended that the country's overall tourism policy should be based on selected targets which (i) are realistically attainable, and (ii) will produce maximum cultural, social and economic benefits over the longest period of years. These benefits will give a new ethos and value to tourism, and a new sense of purpose and direction to its development.

It is hoped that India being tourist destination country should enjoy political stability so that her old image of peace loving country may be maintained in the world market. It is essential to brighten India's future prospect of tourism and obtain for tourism industry the status of an export-oriented industry.

The second chapter entitled "Economic Aspect of Tourist Infrastructure" highlights the necessity of a strong economic base for tourism development. Economic and tourism are complementary to one another i.e. without economic development tourism cannot move forward. It is in this context, it is remarked that sound economic base is the backbone of tourist industry. Better and faster means of communications have resulted in a massive movement of people throughout the world drawing them closer through experiencing and appreciating one another's culture and life-style. To give an idea of the dimensions of world travel in 1981, there were about 290 million world travellers who spent US \$ 106 billion (Rs. 84,000 crores). In India alone, inspite of her less developed economy, about 5 million people excluding city commuters, are carried daily by the railways over their vast network indicating the strength of domestic travel movement within the country.

Hence, the economically developed tourist infrastructure will be taken up based on the "Travel Circuit" concept in a 5 to 10 years perspective. This will enable

intensive development of selected centres, dispel the tendency to concentrate in a few urban centres, and encourage the diversification of tourist attraction, particularly in opening up economically backward areas which hold many tourist attractions such as archaeological and historical monuments, places of natural beauty, festivals, arts and crafts.

A suggestion has been put forth in this chapter regarding involvement of youth in national integration. To make tourism a vehicle for achieving this objective, youth hotel activity will be given significant importance in the plan of action. This will facilitate the youth from different parts of the country exchanging views and ideas getting themselves exposed to the various parts of the country and thus bringing about greater understanding between youths of all parts of the country, apart from catalysing international understanding through the youth movement. The existing modest network of youth hostels set up for the purpose will be expanded and the movement be strengthened substantially.

The policy on tourism will take cognizance of the need to under-score the fact that tourism facilities for the lower middle class and the poorer sections of the society for getting to know about other parts of the country

through travel required to be augmented and towards this purpose, and with particular reference to pilgrimage tourism, cheap accommodation is proposed to be provided through Dharamshalas, Sarais etc., making use of suitable organisations like the Bhartiya Yatri Avas Vikas Samiti and the like to put up such facilities.

Marketing strategy will be to broaden the tourist-base in existing market, explore new tourist markets, and promote and facilitate inter-regional travel, particularly from neighbouring countries. A dynamic and pragmatic approach will be adopted in identifying regions from where tourist traffic to India has growing potentiality as for instance, West Asia as well as North African (WANA) countries where as a result of oil, there is a great boom and prosperity resulting in people in these countries desiring to go on pleasure tours abroad. The WANA countries have a predilection towards India because of its close link with West Asia and North Africa from historical times. Special emphasis has to be given for travel from these countries to India. The infrastructure will be so developed as to cater to the tastes of the tourists from these regions. Similarly the infrastructure at Buddhist centres is being developed as for instance, through a series of Buddhist oriented hotels with a view to attracting large scale Buddhist traffic through Charter as well as by the normal services to India making India a

Buddhist destination. With the Vast Buddhist population in the Far East, there is a considerable potentiality for traffic to India from these countries. The assistance of the Railway Ministry is being sought for operating special trains to cover the Buddhist centres and also supplement accommodation in hotels through these special trains which would be self-contained mobile hotels, as it were, special attention is required to be paid to developing social tourism to benefit the weaker sections of society. Similarly manpower development and training should be given due weightage to ensure efficient services and effective management of tourist facilities for maximising returns on investments made.

To achieve this purpose every endeavour will have to be made to secure fiscal and other incentives from the concerned Ministries of Government in order to make investment in the tourism industry worthwhile. In this process an endeavour will also be made to highlight the fact that in the context of the country needing substantial foreign exchange for its developmental activities. Tourism industry will constitute a major agency/industry for the acquisition of foreign exchange of sizeable quantum not incomparable to, and in due course expect to exceed, the contribution of foreign exchange made by the Engineering goods industries, Handloom, Handicraft industries and such other major foreign exchange earning export-oriented industries. In this context cost/

benefit studies should be made of the potential long-term earnings and benefits from the tourism industry, the capital (Private and Public) and other resources needed to achieve these earnings and the resultant cost/benefit factors compared with the employment of such capital and resources in other economic activities. The possible benefits of collaboration between the group of the South Asian Countries in the development of their tourism should be carefully examined. Similarly the probable spending habits of low-cost charter/inclusive tours visitors should be studied and related to the overall capital and recurrent costs (including infrastructure services) of penetrating this particular trade. In other words, cost/benefit study should not be affected into this trade in isolation.

It follows from the above discussion that a highly development, sound and well built infrastructure is a vital segment for the development and growth of tourism industry. Looking to the vast expansion of tourist market in India and abroad the image that India has projected as the largest not foreign exchange earner in the world market. In fact India has tremendous potentialities, being the fastest growing industry in the world. But the tourist infrastructure is still below par and neither the Central Government nor State Governments have treated tourism on a par with export-oriented industries.

The Sixth Five Year Plan document accept this as a limitation to growth. Further, the tourism infrastructure continues to be inadequate. It is not surprising, therefore, that the growth rate of tourism in India was the lowest in Asia during the first sixth months of 1984 from which comparative figures have become available. Whereas the growth rate of tourism traffic for our country was 0.7 per cent for Malaysia, 13.9 per cent, for Hongkong 9.9 per cent, for Japan and Sri Lanka 8.7 per cent respectively. We need to give serious thought to this, if we are serious about promoting tourism to our country.

There is no denying the fact that tourists make demands on every kind of infrastructure namely accommodation, transport and communication, water, electric power, provision of health and public services. Both domestic and foreign tourists complain against inadequate accommodation, food, climate and several other factors. Congestion at airports and inadequacies of internal air and surface transportation are their main targets. Needless to mention that tourism as such has not fully developed as a product and with the needs of the market as a whole. Thus an integrated package of infrastructural facilities are the basic needs which do not keep pace with today's and the future traveller comforts.

TOURISM AND VALUE ANALYSIS:

Tourism infrastructure must be judged from "Value Analysis" point of view i.e. return on investment basis and it must be brought within reach of a wider segment of people through cost effectiveness and use of better technology as the customer will always demand value of money. Whatever a tourist spends he must have full enjoyment in exchange. We run after foreign exchange ignoring the potential rights of the tourist as customer. The better and improved technology and well knitted comfortable services would provide the answer.

There is, of course, a strong case for an organised study to see what is required to mobilise this demand in commercial activity. Moreover technical/financial studies should be initiated into feasibility of designating and constructing new types of hotels and other accommodation units in India which could produce economics in capital and operating costs and hence lower tariffs. It is further suggested that the long-term viability of low costs Inclusive Tours based on chartered aircrafts, and the price levels at which such operations may be established as a permanent feature of the industry in India, should be examined. The author also recommended that the Government should passed the new legislation to controll all sites of natural and man-made beauty to prevent haphazard growth of the regions. It is observed that tourism itself opens up new growth centres in areas otherwise devoid

of natural resources. It has helped develop such centres and provided better lives for the people in these areas. Khajuraho is one such example. Thus tourism has given a tremendous stimulus to our handicrafts, and **transport system**.

It is true that we need 5-Star hotels in order to compete successfully in the international Market. However, there is a great need for medium and low priced hotels in a developing country like ours. The Government should provide them land on economical rates and other incentives so as to provide additional accommodation for the middle class foreign as well as domestic tourists. In this connection a suggestion is made the Conventions and conferences though provide good business for the travel trade, these should be arranged during off-season, when the hotels will be in position to offer specially reduced rates. Similarly the charter flights by Air India is most welcome, but it is strongly felt that it should have an open sky policy, whereby all international airlines and charter companies are allowed chartered flights. We badly need charters because of the high cost of travel from Europe and America which continue to be our biggest markets for tourists. After years of discussion a charter series has been started but it will bring in 4000 visitors if each flight is full. Besides the charter movement is confined to AIR INDIA exclusively. Mr. Lothar Binder to Touristic Union International (TUI), however, emphasised the need to develop Goa and some other seaside resorts so that TUI, which

claims to handle 2.5 million tourists a year, can bring point to point and back to back charters to India in the same way as they are carrying to resorts in Sri Lanka, Pennang and more recently to Maldives provided Goa had 2000-3000 hotel rooms on its beaches not necessarily of 5-Star Category. Goa has the potential of becoming the finest sea resort of Asia and with planned development can take a very large number of visitors, may be as many as hundred thousand or more a year, without damaging the environment. But in view of the importance of air transport to future tourism development, a special study should be made of air transport system to and within India to ascertain what new levels of air travel costs may be feasible if (a) new types of aircraft are introduced, (b) national air transport policies are amended to enable India to derive full benefit from the potential of air transport.

The Third chapter critically analyses the, Impact of Tourist Industry on National Economy'. In the light of the observation made, it is necessary that India, while assessing potential earnings, should realistically estimate the recurrent marketing costs necessary for success. It should draw to the maximum on the experience and policies of other countries throughout the world. Since India has not yet finally decided the extent of direct Government responsibility for financial participation in tourism development, it is advisable to review the present system and policy inclinations taking fully into account:

- (a) the realistic tourism potential.
- (b) the competition that India can expect from other countries.
- (c) the pros and cons of systems adopted by other countries.
- (d) the probable effect on availability of capital.

Advice should be compiled on the desirable scope and form of tourism forecast and plans, especially where there are to be used to support proposal for investment by private or international financial interest. Implementation of plans for all aspects of tourism development needs very careful phasing and coordination otherwise the targeted investment benefits from development in one sector may be frustrated by inadequate or delayed development in other sectors.

However, the object of this chapter is to make an overall assessment of tourism investment on removing the backwardness from various backward regions of the country. While perhaps the most frequently discussed of the possible investment benefits of tourism, is not the only contribution tourism may make to the national economy. The foreign exchange earned from the income and employment generated by, expenditure of visitors necessitates using current and capital inputs for which there are alternative use, and the economic benefits, of tourism must therefore be weighed against them that might be obtained from alternative use of the same resources. Hence, it is necessary to consider such questions as:

- (i) Does a unit of capital invested in tourism create more or less employment and income, and earn more or less export revenue, than it would if it were invested elsewhere in the economy ?
- (ii) What is the foreign exchange cost of obtaining the export earnings, and how does it compare with the cost in other **export** industries ?

In view of the limitations of the data needed to make such analysis, the results and conclusions are however, presented ^{third} our / chapter under two heads viz., Section A, where tourism is discussed as a source of foreign exchange earnings. Not only the gross receipts and their contribution to the balance of payments are considered, but also how far imports of both current and capital impacts are necessary and what investment benefits are obtained from tourism in terms of foreign exchange relative to the resources devoted to the development of tourism. In the second part of Section B, the various ways in which tourism affects income and employment are discussed; The domestic products generated, directly or indirectly, and how it is related to from foreign exchange earnings; the relative importance of tourism for the national economy; the multiplier effects of the visitor expenditure; the relationship between investment in tourism facilities and the domestic product created by their use; the impact of tourism on public revenue and expenditure; and tourism as generator of employment.

The answers of the questions posed earlier have been discussed in detail under the headings namely !

- (i) Tourism in the Balance of Payment,
- (ii) Imported goods and services consumed by visitors
- (iii) Factor Payments abroad
- (iv) Non-Commerical expenditure on publicity and promotion of the country's image abroad,
- (v) Imports of capital goods and promotion of the country's image abroad,
- (vi) Imports of capital goods in connection with accommodation and other tourists amenities and
- (vii) Net foreign exchange receipts and the important contents of visitor expenditure.

In formal terms the following successive steps by which visitor expenditure is converted into domestic income question have been illustrated as:

- (i) Receipts of foreign exchange (equals value of final out-put sold to visitors);
- (ii) Import contents of output, including imports of tourist supplying sector;
 - (a) excluding factor payments abroad;
 - (b) including factor payments abroad;
- (iii) Gross domestic product at market price ((i) minus (ii) (a));
- (iv) Gross National Product at market price (i) minus (ii) (b));
- (v) Indirect taxes less subsidies, including those paid or received by tourist supplying sectors;
- (vi) Gross domestic product at factor cost (iii minus iv);
- (vii) Gross national product of factor cost (iv minus v).

Items (iii) and (iv) constitute income generated or remaining, in the country, which is equivalent to the net foreign exchange receipts from tourism in section A.2 about (i.e. without any deduction for the foreign exchange cost of investments). That is to say the smaller the import

contents of tourist expenditure, the greater are not only the net receipts of foreign exchange but also the creation of income (gross domestic or national product at market prices) resulting directly from the tourist-expenditure. It is necessary, therefore, that India, when assessing potential earnings from tourism, and expenditure necessary to attain those earnings should realistically estimate the recurrent marketing costs necessary for success. It should draw to the maximum on the expenditure and policies of other countries throughout the world.

As regards investment and output for tourism, the rise over a number of years in gross domestic product (value added) resulting from foreign tourism can be related to the gross investment associated with it, and this relationship (an incremental capital/output ratio) can be compared with similar coefficients for, say, other exports. Such comparisons are not, however, very meaningful unless output in both cases is mainly for export. Likewise a study has been made with regard to tourism as a generator of employment and pointed out that the pace of increase in employment depends not only on the rate of growth of visitors expenditure but also a labour intensity and labour productivity in the tourist-sector, as in other sectors. Further the effect of tourism on employment can be analysed in the same way as for domestic product. Employment is generated in the tourist-sector itself and in the tourist-supplying sectors, and

additional employment follows from effects of the multiplier as well as from construction activity related to tourism (in particular hotels and other accommodation).

Similarly the Costs and Benefits of investment in Different classes of Hotel Accommodation has been examined in the same chapter and the findings are : For a proper cost-benefit analysis of investment in hotels, we need to have detailed data on costs, such as:

- (i) the cost incurred on land and building, and on infrastructure, the number of lettable rooms constructed and the cost of other facilities, such as conference rooms, swimming pool, etc.
- (ii) Break-up of current operating and maintenance cost;
- (iii) The foreign exchange component in:
 - (a) fixed costs; and
 - (b) current cost of maintenance and also data on revenue in the form of, and
- (iv) foreign exchange received against room and food sales separately.

The fourth chapter is devoted to examine the contribution of India Tourism Development Corporation in the Growth of Tourism in India. India Tourism Development Corporation is the implementation wing of the Department of Tourism. The need for such a corporation arose because the private sector was shy of undertaking construction and running of tourist facilities where the profitability was in doubt. Today India Tourism Development Corporation is functioning for keeping the tourist facilities according to the desire of foreign tourist at every place.

India Tourism Development Corporation is one of the few public sector undertaking which have inception. In the first decade of its inception (1976-77) the aggregate net profit of the corporation was 234 lakhs. The corporation generated internal resources to the order of Rs.904 lakhs during period 1966-76. The profit for 1983-84 is Rs.83.5 lakhs. ITDC has been making a profits on all its operations excepting the transport unit where there are losses. To avoid the losses of transport unit some measure have been taken to improve the profitability. These include better supervision and management, planned programme of preventive maintenance, repair and maintenance facilities, training of technical staff, intensive ^{on} sales promotion efforts etc.

In I.T.D.C., as its name suggests, has aimed at setting up a sound base for the development of tourism infrastructure. It is perhaps the only undertaking of its kind in the world offering almost a complete package of tourist services; accommodation, transport, shopping entertainment and publicity. It offers all this in a spirit of healthy competition with private sector* and, in a short span of little more than a decade, ITDC has emerged as a pioneer in opening new tourist destinations, popularising. Indian cuisine and entertainment.

The sum up the contribution of ITDC in the growth of tourism in India would be more pragmatic if the following points are taken into consideration while amending tourism policy:

- (i) To attract tourists, promotion and publicity comes first. It is not up to the mark in India and needs to be intensified. To quote a recent instance, the publicity abroad for the Asian Games was far from satisfactory. As a result few tourists came to India to witness the events and even then the Asian Games was granted a great success. If a large number of tourists had come and seen the Games, it would have been provided an excellent publicity, since a satisfied customer is our best promoter of tourism. Each of these tourists would have sent many tourists to India and provided an excellent aid to our tourism promotion. The personnel sent from here to our tourist offices abroad should be given intensive training in publicity before their posting.
- (ii) Further, our offices abroad should endeavour to reach the customers direct through T.V. and broadcastings. This is particularly necessary because unfortunately these powerful media often publicise the adverse news about our country. To do so, the Tourist Development should also invite many more travel writers and tour operators than we are doing at present.
- (iii) The Visa restrictions were again imposed owing to the Asian Games and the Non-Aligned Conference, for security reasons. They should definitely be discontinued because such restrictions will affect tourism very adversely, particularly as our office abroad are ill-equipped to undertake this work and to issue visas promptly. Inadequate facilities at the airport and the various immigration and custom formalities be done away with. Simple and easy rules be framed.
- (iv) Hotel industry should be included in the Essential Services Maintenance Act, if we are really serious in promoting tourism to our country. Again, hotel tariffs are dependent on the cost of operations. The heavy Central and State Taxes constitute a good part of the operational costs. It is, therefore, necessary to grant fiscal incentives to hotels and restaurants, on a par with export-oriented industries, so as to enable them to keep down their hotel tariffs. It is good that Hotel Receipts Tax has been discontinued and state government should also abolish the luxury taxes on hotels in their respective states.

- (v) Just as awards are given to travel agencies in different categories, that earn the highest amount of foreign exchange, similar award should be given to hotels also.
- (vi) The Government Institute for training in hotel management should have been transferred to the Ministry of Tourism.
- (vii) Many of the monuments in the country are in urgent need of repair and renovation. Priorities should be given to monuments according to the recommendation of the UNESCO Expert on Cultural Tourism. Adequate precautions should be taken so as to preserve the unique character, atmosphere and natural beauty of such monuments. The provision of basic amenities of each important monument site should be considered to make the stay of tourists comfortable. The ministry is taking steps to improve them. There is, however, a major difficulty, i.e. inadequate facilities for practical training. This difficulty can be overcome satisfactorily only if a hotel is attached to hotels set up abroad with very good results. They also have the advantages that the profits from the hotel meet the operational costs of the institute. It is, therefore, strongly recommended that similar institute-cum-hotels be set up in India also. According to estimates made, we need about 1,50,000 boys and girls in the next 7 to 8 years to run hotels in India. This will reduce our unemployment problem as well.
- (viii) Since one of the major directions in which we should move in the next few years is to develop regional tourism; by regional I mean the region of the globe in which India is located. This region would include Indonesia, Singapore, Malayasia, Thailand, Burma, Bangladesh, Nepal, Pakistan, Iran, Afghanistan, Sri Lanka, Maldives, West Asia as well as countries on the East African Coast. If we can intensively promote tourism, traffic from the region into India, we will not only be serving an economic purpose by bringing in a greater input of foreign exchange into the country, but we would also be bringing about political understanding in this area which is to be much desired.

In the Fifth Chapter it has been observed that travel agencies are the main constituent vital segments of tourism

promotion. In the light of the personal survey conducted by the author on this topic it has been concluded that our travel agencies help the growth and development of tourism in India. Its promotion is recognised by all segments of travel industry. The government should work in close collaboration with travel agencies not only in India but abroad as well, encouraging them to plan and organise package tours for various destinations in India. In suitable cases, the department of tourism should recommend the release of foreign exchange to travel agents to enable them to open their branch offices abroad. It is, however, a wise step that the finance department has instituted a special tourism award which is awarded every year to ~~their~~ Travel Agency which has helped earning maximum of foreign exchange. At the same time a phased programme to augment the training facilities for hotel industry, tourist guides, and tourist management should be prepared. Establishing a new national Institute for Tourism Management for all India level is a great necessity.

It is also suggested to examine the possibility of helicopter services to points, places and sites of tourist interest in India which are at present in accessible or difficulty to reach by the existing facilities of the Indian Airlines. It is advisable to put into operation hydrofoil carft between Bombay and Goa, Cochin up to Trivandrum Tourism purposes.

As regards the problems faced by travel agencies are concerned the author has made indepth study and suggested their remedial measures in the said chapter. If at all tourism is allowed to grow fast, one has to prevent the hurdles which come across in selling the tourist products. It would pave the way for smooth functioning of the tourist industry and in the earning of more foreign exchange. Hotels will remain occupied and the airlines will have no worry about the minimum load facilities.

In this connection what is most essential is the streamlining and tuning up the administration of International Air Booking, Domestic Air Booking and Railway Booking where foreign and domestic tourists feel much harassment and travel agents charge higher commission shared by booking clerks. Similarly the other problem faced by the travel agents, is that of providing hotel accommodation at correct rates which they never do. Hence hotels have started eliminating the travel agencies and making direct quotations. Thus certain hotels have come out in direct competition with travel agencies. It is, therefore, suggested that hotelier should not adopt direct selling because it will reduce further business of the hotels, by circumventing the travel agents. The hoteliers should act as a guardian and give more concession to travel agents so that they may bring more tourist and keep the hotels flooded with tourists all the time.

Travel agents and tourists still complain about the delay in receiving confirmations of their reservations inspite of requests from Indian Airlines. As there have been cases when confirmed booking have not been honoured on the arrivals of the tourists. This puts the tourists into great inconvenience because his tour is all pre-planned. It is suggested that special consideration and priority should be given to the reservation on requests from foreing whether direct or through agents The Indian Airlines should also examine the possibility of special fares on tourist routes within the country particularly as their domestic fares which have been nearly doubled during the last two years. At present, the limited capacity of Indian Airlines restricts the growth and movement of the international and domestic tourism within the country. Urgent augmentation and modernisation of the IAC aircrafts as well as new facilities and amenities in all airports is a necessary.

It should be clear that an unobstructed movement of tourist vehicles throughout the country is essential for the growth of tourism. State Governments and Union Territories concerned should free or at least liberalise their application of one single tourist permit so that tourists in buses or cars can easily travel throughout the country. Further as the cost of travel to get to ~~India~~ is high, efforts should be made for reduction of normal fares on the international level and within the region, even on a reciprocal bases.

Travel agents have been facing other problems in dealing with the Government Departments like Foreign Exchange Clearance, Custom Clearance and opening of new branches abroad. Hence active cooperation of these department is needed to ease these problems. It is, therefore suggested that the Government should have a separate section of counter to deal with travel agency work and to give all out support to travel agents avoiding unnecessary formalities of clearance. An Indian Travel Agent does not have sufficient money to open and organise branches both in India and abroad, due to lack of finance which stands in the way of competition with the travel agencies of other countries. It is suggested the government should encourage the upcoming of good talented professional travel agents to deal with finance. They should be provided necessary finance either through banks or through specially floated finance corporation against securities. It is also suggested to establish a separate Police Force for protecting tourists from harassment by beggars, hawkers, touts, etc. all over the country.

Finally, in the Sixth Chapter, some specific Travel Barriers faced by the tourists have been examined and in the light of the findings, concrete suggestions have been made to overcome these barriers. Hence this forms the subject-matter of the chapter entitled "Tourist Facilitation And Travel Barriers". The study reveals that the outgoing and incoming tourists are put to great inconvenience inspite

of proper document i.e., Passport, Visa, Emigration Clearance requirements and other related documents. On account of such harassment the tourist is victim to mental and physical torture which makes him a tired man. He somehow or the other winds up his tour and goes back to his homeland with a heavy heart. It is in this context that the author suggests that the development of facilities in tourism industry is the vital need. He further recommends the setting up of a Committee for making simple laws and bye-laws in order to formulate sound tourism **policy** for the benefit of domestic and International Tourists. What is essentially needed is to accord warm welcome and

- befitting send off to the tourists. The tourists will always cherish the memory and hospitality of the visiting country and its people through photographs which they carry home. Hence, hotels and restaurants too should make an all out effort to give every satisfaction to the tourists through warm hospitality, service with a smile and the minimum possible tariffs. Efforts should be made to send back a customer absolutely satisfied.

It is, however, emerged from the study that majority of tourists complain of the exit problem at the airport. They come out so irritated that they often say that Indian personnel bring poor name of rich tourism. The department of tourism should look into these grievances of the tourists in respect of the treatment meted out by travel agents,

hotel personnel and custom and excise executives of the airport. Some travel agents convert foreign currency of the tourist into Indian currency at a rate lesser than discounted at the counter of the banks. It is, therefore, suggested that private agencies should not be allowed to do this and if they do so they should be punished. Immediate steps should be taken to ensure that the foreign exchange spent by tourists in the country is surrendered to the Reserve Bank of India and not diverted into unauthorised hands. Similarly the tourists do not find proper place to sit in as the airport becomes overcrowded when three or four flights land together. There appears a long queue at the Emigration counter where the tourists fill up the disembarkation Card. The foreigners often get scared while looking at the rude behaviour of the Emigration Officer. Neither is he polite nor courteous enough to wish and greet the tourists. Our airports are highly congested and offer poor facilities and services. The un-coordinated and out dated procedures of passenger and luggage clearance are chaotic and consequently time consuming. Similarly the surface transport we offer is sub-standard and the taxi services available in our cities are a disgrace. It is therefore recommended that all present regulations procedures and facilities affecting the movement of passenger should be re-examined and trends in the intensification or relaxation of regulation, and plans for new procedures and facilitation need acceleration. Thus

re-examination should be related to the types, volumes and concentrations of tourists who may be attract to India in the foreseeable future. Such a review should produce recommendations on practical means of improving facilitation as well as estimates of the probable adverse affects of poor facilitation.

It is, therefore, suggested that Assistance Counters should be set up in the arrival hall at the time of boarding and getting off the plane. There is a general complaint with regard to inadequate porters and that too are in poor and rattling conditions. One feels ashamed to carry the luggage on them. Likewise the harassment of tourists at the hands of Auto-rickshaw and Taxi drivers who make heavy bargains with the tourists in the premises of the airport. It is advisable that the entry of auto-rickshaws and taxi drivers should be banned into the airport premises and they should be supplied a list of conveyance rates duly certified by the department of tourism affixing rubber stamp seal thereon. If the aforesaid suggestions are materialised there is no reason why the travel barriers are removed. If one can work upon these suggestions one can improve facilitation into India and outside.

ABBREVIATIONS

A.R.C.	:	Administrative Reform Commission
A.I.	:	Air India
A.P.	:	American Plan
A.S.I.	:	Archaeological Survey of India
A.S.T.A.	:	American Society of Travel Agents
A.T.T.	:	Ashoka Travel & Tours
D.O.T.	:	Department of Tourism
G.S.A.	:	General Sales Agent
G.I.T.	:	Group Inclusive Tour
I.A.	:	Indian Airlines
I.T.D.C.	:	India Tourism Development Corporation
I.A.A.I.	:	International Airport Authority of India
I.A.T.A.	:	International Air Transport Authority
I.C.A.O.	:	International Civil Aviation Organisation
I.C.C.A.	:	International Congress and Convention Association
I.F.T.O.	:	International Federation of Tour Operations.
I.H.A.	:	International Hotel Association
I.T.C.	:	Inclusive Tour Charter
I.U.O.T.O.	:	International Union of Official Tourist Organisation.
I.A.B.	:	International Air Booking
N.C.A.E.R.	:	National Council of Applied Economic Research
N.D.C.	:	National Development Council
N.T.B.	:	National Tourism Board
P.A.T.A.	:	Pacific Area Travel Association
R.T.O.	:	Regional Tourist Office
S.A.T.W.	:	Society of American Travel Writers.
S.T.D.C.	:	State Tourism Development Corporation
S.S.T.	:	Super Sonic Transport
T.A.	:	Travel Agent

T.A.A.I. : Travel Agents Association of India
U.F.T.A.A. : Universal Federation of Travel Agents
Association.
U.N.E.S.C.O: United Nations Educationals Scientific
and Cultural Organisation
W.A.T.A. : World Association of Travel Agents
W.T.O. : World Tourism Organisation.

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